



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



**FOLLOW-UP REPORT ON THE IMPLEMENTATION OF THE
CONTROLLER AND AUDITOR GENERAL'S RECOMMENDATIONS FOR
THE FIVE PERFORMANCE AUDIT REPORTS ISSUED AND TABLED TO
PARLIAMENT IN APRIL, 2015**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL OF
TANZANIA**

March, 2019

THE UNITED REPUBLIC OF TANZANIA

National Audit Office

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To be a highly regarded Institution that excels in Public Sector Auditing

Mission

To provide high quality audit services that improves public sector performance, accountability and transparency in the management of public resources

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To be an impartial entity, which offers services to our clients in an unbiased manner

We aim to have our own resources in order to maintain our independence and fair status

Excellence

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To be an organization that values and uses public resources entrusted to it in an efficient, economic and effective manner

PREFACE

I am pleased to present a Follow-up Report on the Implementation of Performance Audit Recommendations from the previously issued Performance Audit Reports. This report covers five individual performance audits of the Central and Local Government entities, namely the Ministry of Lands, Housing and Human Settlement Development; President's Office Regional Administration and Local Government (PO-RALG), Ministry of Agriculture, Food Security and Cooperatives, Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC) through Pharmaceutical Services Section, Ministry of Works, Medical Stores Department (MSD), National Environmental Management Council (NEMC), Tanzania Buildings Agency (TBA) and Vice President's Office - Directorate of Environment (VPO).

This report provides our main stakeholders, namely: Members of Parliament and the Government of the United Republic of Tanzania, with the analysis of the progress of the audited entities in responding to the recommendations made in the performance audit reports which were tabled and adopted by Parliament in April, 2015. The rationale behind is to report to Parliament the implementation status of the recommendations made in those performance audit reports.

I have the honour to submit this Follow-up Report on the Implementation of Performance Audit Recommendations from the previously issued Performance Audit Reports to His Excellency the President of the United Republic of Tanzania, Dr. John Pombe Magufuli and through him to the Parliament, in accordance with Article 143 of the Constitution of the United Republic of Tanzania (URT) of 1977 and Section 34(1) and (2) of the Public Audit Act No. 11 of 2008.

In essence, this follow-up report on the implementation of audit recommendations has enabled me to provide the necessary independent assurance to Parliament concerning the implementation status of previously issued recommendations on such areas as Management of Urban Planning, Enforcement of Environmental Control Systems in the Mining Sector in Tanzania, Demand Forecasting and Distribution of Essential Medicine and Medical Supplies, Management of Maintenance of Government Buildings and Provision of Agricultural Extension Services to Farmers in Tanzania.

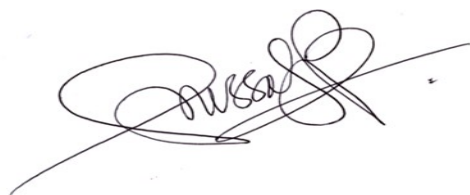
The main objective of conducting these audits was to examine the identified problems in the respective areas; establish whether allocated resources have been spent with due regard to economy, efficiency and effectiveness as intended and appropriated by Parliament in the above mentioned areas.

It is worth noting that, while my office conducts audits and issues reports on the performance of Ministries, Departments and Agencies, Local

Government, Public Authorities and Other Bodies' programmes and activities basing on the relevant laws, rules and regulations governing such programmes and activities, the ultimate responsibility for ensuring there is efficiency, economy and effectiveness in the use of public resources lies with the respective Accounting Officers. At the same time, it is the responsibility of the Accounting Officers to ensure that the observations and recommendations raised by the Controller and Auditor General are acted upon.

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.

I hope that the National Assembly and the public at large will find the information in this report relevant and useful in holding the Government accountable for its stewardship of the public funds and delivery of services to the Tanzanian citizens.

A handwritten signature in dark ink, appearing to read 'Mussa Juma Assad', with a long horizontal line extending from the bottom left.

Prof. Mussa Juma Assad
CONTROLLER AND AUDITOR GENERAL

National Audit Office,
P.O. Box 9080,
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March, 2019

LIST OF ABBREVIATIONS

ARDS	- Agricultural Routine Data System
ASDP	- Agricultural Sector Development Programme
ASLMs	- Agricultural Sector Lead Ministries
CAG	- Controller and Auditor General
CC	- City Council
CCHP	- Council Comprehensive Health Plan
DAWASCO	- Dar es salaam Water Supply and Sewerage Company
DC	- District Council
DED	- District Executive Director
DoE	- Directorate of Environment
eGA	- e-Government Agency
EIA	- Environmental Impact Assessment
eLMIS	- Electronic Logistics Management Information System
EMA	- Environmental Management Act
FFS	- Farmers Fields Schools
GAPs	- Good Agricultural practices
GFS	- Government Finance Statistics
GPS	- Global Positioning System
ICT	- Information Communication and Technology
ILS	- Integrated Logistics System
IMTC	- Inter-Ministerial Technical Committee
JICA	- Japan International Cooperation Agency
LGAs	- Local Government Authorities
LMU	- Logistic Management Unit
M&E	- Monitoring and Evaluation
MC	- Municipal Council
MLHSD	- Ministry of Lands, Housing and Human Settlements Development
MoA	- Ministry of Agriculture
MoFP	- Ministry of Finance and Planning
MoHCDGEC	- Ministry of Health, Community Development, Gender, Elderly and Children
MoU	- Memorandum of Understanding
MoW	- Ministry of Works
MSD	- Medical Stores Department
MTEF	- Medium Term Expenditure Framework
NAOT	- National Audit Office of Tanzania
NEMC	- National Environmental Management Council
PO-PSM	- President's Office - Public Service Management
PO-RALG	- President's Office - Regional Administration and Local Government
RCs	- Regional Commissioners
RSs	- Regional Secretariats
SUA	- Sokoine University of Agriculture
TANESCO	- Tanzania Electric Supply Company
TANROADS	- Tanzania National Roads Agency

TBA	- Tanzania Buildings Agency
TC	- Town Council
TTCL	- Tanzania Telecommunications Company Limited
TWGs	- Thematic Working Groups
TZS	- Tanzanian Shilling
VPO	- Vice President's Office
WARCs	- Ward Agricultural Resource Centres

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EXECUTIVE SUMMARY

Performance audit seeks to improve the accountability and performance of government organizations. It provides an objective and constructive assessment of the extent to which the audited body has utilized its resources in carrying-out its responsibilities with due regard to economy, efficiency and effectiveness. Section 28 of the Public Audit Act No.11 of 2008 gives the Controller and Auditor General the mandate to carry-out performance audit.

This consolidated report summarizes follow-up reports on the implementation of the audit recommendations emanating from the following five performance audit reports which were tabled in April, 2015:

1. Management of Urban Planning in Tanzania
2. Provision of Agricultural Extension Services to Farmers
3. Enforcement of Environmental Control Systems in the Mining Sector
4. Demand Forecasting and Distribution of Essential Medicine and Medical Supplies
5. Management of Maintenance of Government Buildings

Follow-up audits are a necessary process for ensuring that recommendations are addressed and that citizens receive the appropriate feedbacks on the full value-for-money on the various programmes and activities conducted by ministries, departments and agencies from the Controller and Auditor General's work.

Implementation Status of the Issued Recommendations

As regards to follow-up, a total of 86 recommendations were provided in all five performance audit reports. As at the date of this follow-up, 29 recommendations had been fully implemented, 47 recommendations partially implemented while 21 recommendations had not been implemented.

The status of implementation of these recommendations details the specific audit recommendations made as well as the additional works which have been undertaken by the respective audited entities that goes beyond our previously issued audit recommendations.

Table 1 below shows the state of implementation of the audit recommendations of the said audit reports categorized as *fully implemented, partially implemented and not implemented at all*.

Table 1: Implementation Status of Performance Audit Recommendations

Audited Entity	No. of Reconditions given	Fully implemented	Partially implemented	Not Implemented
Ministry of Lands	15	1	6	8
PO-RALG	25	2	15	8
Ministry of Health	5	4	1	0
MSD	7	5	2	0
VPO	4	0	4	0
NEMC	12	7	5	0
Ministry of Works	2	0	0	2
TBA	7	1	2	4
Ministry of Agriculture	2	0	2	0
LGAs	6	2	4	0
Total	85	22	41	22
Percentage (%age)	100	26	48	26

Source: Auditors' Analysis (2018)

The revelation of Table 1 above is that the overall status on the implementation of the issued recommendations indicates that 26 percent of all recommendations issued were satisfactorily addressed; 48 percent were partially implemented; and 26 percent of all recommendations were not implemented. Thus, 74 percent of the issued recommendations were either fully or partly implemented by the audited entities.

Management of Urban Planning in Tanzania

The overall follow-up results on the implementation of issued audit recommendations indicated that 3 out of 28 (equivalent to 11 percent) recommendations were fully implemented, while 12 out of 28 (equivalent to 43 percent) recommendations were partially implemented and 13 (equivalent to 46 percent) recommendations were not implemented.

In view of the above audit findings, it is concluded that, management is urged to exert more efforts on the implementation of all recommendations which have either been partially or not implemented at all.

Provision of Agricultural Extension Services to Farmers

Based on the evidence submitted and interviews conducted with the officials from the Ministry of Agriculture and PO-RALG respectively, the audit team noted that, all 2 recommendations (equivalent to 100 percent) issued specifically to the Ministry of Agriculture were partially implemented. On the other hand, 4 out of the 5 recommendations (equivalent to 80 percent)

issued to PO-RALG were partially implemented and 1 recommendation (equivalent to 20 percent) was not implemented. As for recommendations issued to both the Ministry of Agriculture and PO-RALG, 6 out of 7 issued recommendations (equivalent to 86 percent) were partially implemented and 1 recommendation (equivalent to 14 percent) was not implemented. For the 6 recommendations issued to LGAs, 2 recommendations (equivalent to 33 percent) were fully implemented and 4 recommendations (equivalent to 67 percent) were partially implemented

Therefore, it is concluded that management of the respective entities should continue exerting more efforts on the implementation of all the recommendations which were either partially or not implemented at all.

Enforcement of Environmental Control Systems in the Mining Sector

In general, there were 12 recommendations that were issued to the National Environmental Management Council (NEMC) and 4 recommendations issued to Vice President's Office - Department of Environment (VPO-DoE). Based on the evidence submitted and interviews conducted with the officials from NEMC and VPO-DoE respectively, the audit team noted that, for NEMC, 7 out of 12 recommendations (equivalent to 58 percent) were fully implemented, while the remaining 5 recommendations (equivalent to 42 percent) were partially implemented.

For VPO-DoE, all 4 issued recommendations (equivalent to 100 percent) were partially implemented.

From the foregoing, it is concluded that, management of the respective entities should put more efforts on the implementation of all the recommendations which were either partially or not implemented at all.

Demand Forecasting and Distribution of Essential Medicine and Medical Supplies

In general there were 5 recommendations issued to the Ministry of Health, Community Development, Gender, Elderly and Children (MoHCD) and 7 recommendations that were issued to Medical Stores Department. Based on the evidence submitted and interviews conducted with the officials from the Ministry of Health, Community Development, Gender, Elderly and Children, the audit team noted that 4 out of the 5 issued recommendations (equivalent to 80 percent) were fully implemented, while the remaining one recommendation (equivalent to 20 percent) was partially implemented.

The audit also noted that for Medical Stores Department, 5 out of the 7 issued recommendations (equivalent to 71 percent) were fully implemented while the remaining 2 recommendations (equivalent to 29 percent) were partially implemented.

From the foregoing, it is concluded that, management of the two entities should put more efforts on the implementation of all the recommendations which were either partially or not implemented at all.

Management of Maintenance of Government Buildings

The overall follow-up results on the implementation of the issued audit recommendations indicated that only 1 out of 9 recommendations (equivalent to 11 percent) was fully implemented, while 6 out of 9 recommendations (equivalent to 67 percent) were partially implemented, only 2 recommendations (equivalent to 22 percent) were not implemented. Further analysis of the issued recommendations per each cluster or category was made. The intention was to assess the level of implementation of recommendations per category. The result of the analysis is as shown in Table 2:

Table 2: Number of Recommendations Not Implemented Per Category

Category of Recommendations	Total Number of Issued Recommendations per category	Number of Recommendations not implemented	Percentage of Recommendations not implemented
Coordination	16	9	56
Planning and budgeting	17	4	24
Development	25	6	24
Monitoring, Evaluation and Performance Measurement	12	4	33
Enforcement	6	0	-
supporting	2	0	
supervision	2	0	-
Decision making	4	1	25
Reporting and Communication	2	0	
Total	86	40	33

Source: Auditors' analysis (2018)

The analysis in Table 2 shows that recommendations concerning critical areas for the performance of government entities, namely: Coordination, Development Planning and budgeting, Monitoring as well as decision making, were not adequately implemented. However, the recommendations about such categories as Enforcement, Supporting, and supervision were partially implemented.

Conclusion

Follow up audit reveals the existence of non-implementation of the issued recommendations which are critical for enhancing the performance of the

audited entities. This tendency is the prerequisite for the failure by these entities in improving the aimed services. As a consequence, this denies the audited entities the opportunity to provide good services to the targeted citizens.

The noted weaknesses are likely to have been caused by insufficient governance structures within the audited entities which are highly contributed by lack of clearly established responsibilities and reporting arrangements, inappropriateness of Ministry's processes and system for monitoring the implementation of issued recommendations within the Ministries.

As a result, Ministries are operating without having a specific section or individuals to coordinate the implementation of the issued performance audit recommendations, updated recommendation registry and detailed plan for the implementation of the issued recommendations. This in turn leads to persistent poor service delivery in areas such as management of Urban Planning, demand forecast and distribution of essential medicine, environmental control in mining sector, maintenance of government buildings and provision of extension services to farmers.

Recommendations

The Government Ministries, Independent Departments, Agencies and Local Government Authorities establish clear governance structure by:

1. Prioritizing the implementation of all recommendations issued by the CAG;
2. Tracking all issued recommendations and documenting their implementation status; and
3. Having a working governance system for monitoring NAOT's performance audit recommendations.

CHAPTER ONE

INTRODUCTION

1.1 Background and Rationale for Follow ups on Performance Audit

Performance audit seeks to improve the accountability and performance of government organizations. It provides an objective and constructive assessment of the extent to which the audited body has utilized its resources in carrying out its responsibilities with due regard to economy, efficiency and effectiveness. Section 28 of Public Audit Act No.11 of 2008 gives the Controller and Auditor General (CAG) of Tanzania mandate to carry out performance audit.

The Office of the Controller and Auditor General carries out a number of performance audits in government entities. Basing on the findings and conclusions made in those audits, CAG issues recommendations which, if implemented they can assist in improving the performance of government entities and ensure that public resources are economically, efficiently and effectively managed.

Likewise, Regulation 77 (5) of the Public Audit Regulations of 2009 provides mandate to the Controller and Auditor General to conduct follow-ups on the recommendations issued to government entities by conducting performance audits. In this regard, the CAG conducted a follow-up on Five Performance Audit Reports namely (1) Management of Urban Planning in Tanzania, (2) Provision of Agricultural Extension Services to Farmers, (3) Enforcement of Environmental Control Systems in the Mining Sector, (4) Demand Forecasting and Distribution of Essential Medicine and Medical Supplies, and (5) Management of Maintenance of Government Buildings.

1.2 Follow-ups on Implementation of Audit Recommendations

Follow-ups are conducted in order to provide stakeholders (Members of Parliament and the Government of the United Republic of Tanzania) with the analysis of the progress made by the audited entities with regard to the recommendations made in performance audit reports which were tabled and adopted by the Parliament. This is normally done with the view to reporting back to the Parliament the extent to which the issued recommendations have been implemented.

In essence, follow-ups on the implementation of audit recommendations enable the CAG to provide the necessary independent assurance to the Parliament concerning the implementation status of previously issued recommendations on different areas.

Therefore, follow-ups on the implementation of audit recommendations examine the identified problems in the respective area; establish whether allocated resources have been spent with due regard to economy, efficiency and effectiveness as intended and as appropriated by the Parliament.

1.3 Design of the Follow-up on the Implementation of Audit Recommendations

This audit is designed in such a way that it provides to both the CAG and audited entities the opportunity to share the status of the implementation of the issued recommendations as provided by the audited entities and verified by the CAG.

1.3.1 Objectives of Follow-up on the Implementation of Issued Recommendations

Main Objective

The main objective of the follow-up is to assess the extent to which the audited entities have implemented the recommendations issued by the Controller and Auditor General.

Specific Objectives

1. To examine corrective measures taken by the audited entities on the recommendations issued by CAG;
2. To assess the governance systems for monitoring NAOT's performance audit recommendations; and
3. To examine reporting arrangements on the implementation of the recommendations issued by CAG.

1.3.2 Scope of the Follow-up

The audit covered five performance audit reports comprising nine audited entities as described in the table below

Table 1.1: List of Six Audit Reports Followed Up

Name of the Audit	Audited Entities	Year of Publication
Performance Audit Report on the Management of Urban Planning in Tanzania	Ministry of Lands, Housing and Human Settlement Development	April, 2015
	President's Office - Regional Administration and Local Government (PO-RALG)	
Performance Audit Report on the Provision of Agricultural Extension Services to Farmers in Tanzania	Ministry of Agriculture Food Security and Cooperatives;	April, 2015
	President's Office - Regional Administration and Local Government (PO-RALG)	
Performance Audit Report on the Enforcement of Environmental Control Systems in the Mining Sector in Tanzania	Vice President's Office - Directorate of Environment (VPO-DoE)	April, 2015
	National Environmental Management Council (NEMC)	
Performance Audit Report on Demand Forecasting and Distribution of Essential Medicine and Medical Supplies	Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC) through Pharmaceutical Services Section	April, 2015
	Medical Stores Department (MSD)	
Performance Audit Report on the Management of Maintenance of Government Buildings	Ministry of Works Transport and Communication Transport and Communication	April, 2015
	Tanzania Buildings Agency (TBA)	

Source: Auditors' Analysis of the CAG's Reports (2018)

Table 1.1 above shows the specific Performance Audits with their corresponding audited entities. Furthermore, the follow-up audit is limited to the review of the recommendations detailed in the original performance audit reports mentioned in Table 1.1 and their respective responses, commitments and implementation status.

1.4 Approaches to Follow-up on the Implementation of the Issued Audit Recommendations

The follow-up on the implementation of the issued recommendations was conducted through the following approaches:

- 1) Sending letters to the audited entities requesting for the implementation status of the issued recommendations;
- 2) Review of the implementation status responses with their corresponding supporting evidences from the audited entities;
- 3) Developing a matrix for the implementation status of the issued recommendations by consolidating all received responses for each specific audit;

- 4) Submission of the verification letters including a matrix on the implementation status of the issued recommendations with auditors' comments to the audited entities for their review;
- 5) Verification and factual clearance on the responses of the implementation status of the issued recommendations; and
- 6) Developing a follow - up report on the implementation status of the issued recommendations.

1.5 Methodology used to Follow-up on the Implementation of Recommendations

(i) Interviews

Interviews were conducted with the audited entities' senior and operational management personnel for them to understand the process and clarify issues with respect to the implementation of the issued recommendations from the identified reports. The interviews assisted in obtaining verbal responses in relation to the activities that were carried out in responding to the issued audit recommendations.

(ii) Documentary Reviews

The audit team reviewed the status of implementation of the previously issued audit recommendations in order to explore the progress in terms of implementing issued audit recommendations. The document reviews provided evidence with regard to the matters agreed during the original individual performance audits, commitments made by the audited entities and initiatives taken so far for addressing the respective recommendations including the corrective measures that have been taken since these audit reports were issued.

(iii) Observation

The audit team also visited different entities and areas to assess the level of implementation of various projects or physical structures or items that were supposed to be installed or acquired by the audited entities as seen in Table 1.2

Table 1.2: Areas visited as part of the verification

Audit Report	Areas visited	Objective of the visit
Performance Audit Report on the Management of Urban Planning in Tanzania	Mwanza Dar es salaam Iringa	Verification visits to confirm the responses which were given by PO-RALG and MLHSD to the Audit team
Performance Audit Report on the Provision of Agricultural Extension Services to Farmers in Tanzania.	Mwanza Dar es salaam Iringa	Verification visits to confirm the responses which were given by Ministry of Agriculture and PO-RALG to the Audit team.
Performance Audit Report on the Enforcement of Environmental Control Systems in the Mining Sector in Tanzania.	Mwanza Dar es salaam Kahama	Verification visits to confirm the responses which were given by NEMC and Vice President's office-Environment to the Audit team.
Performance Audit Report on Demand Forecasting and Distribution of Essential Medicine and Medical Supplies.	Mwanza Dar es salaam	Verification visits to confirm the responses which were given by Ministry of Health Community Development, Gender, Elderly and Children (MoHCDGEC and MSD to the Audit team.
Performance Audit Report on the Management of Maintenance of Government Buildings.	Mwanza Dar es salaam	Verification visits to confirm the responses which were given by Ministry of Works, Transport and Communication, and Tanzania Buildings Agency to the Audit team.

Source; Auditor's analysis of the visited areas, (2018)

Table 1.2 shows regions visited by the audit team in their respective performance audit topics and the objective for the visit.

1.6 Criteria for Assessing the Level of Implementation of Recommendations

Follow-up audit work examined the recommendations or significant observations made in the previous performance audits. The previous recommendations or observations served as the follow-up criteria.

Further, commitments such as action plans made by entities in response to the issued audit recommendations of the original audit reports were also used as the criteria. In ensuring that issued performance recommendations are adequately implemented, it was expected that the audited entities should have:

- Addressed the recommendations issued in the performance audit reports based on the commitments made by them during the audit;
- Appropriate governance systems and reporting arrangements to ensure that the audit recommendations are timely and adequately implemented.

1.7 Level of Implementation of Recommendations and Factors Considered when Ranking the Implementation Level

Implementation of the issued recommendations was measured using levels and classification of recommendations.

Table 1.3 describes four levels of implementation of the issued recommendations.

Table 1.3: Levels of Implementation of Recommendations with Reasons

Level of Implementation Status	Reason for Implementation Status
Fully Implemented	When the audited entity provides sufficient and appropriate evidence to support all elements of the recommendation.
Partially Implemented	When the audited entity provides some evidence which supports the implementation, but not all elements of the recommendation are addressed.
Not Implemented	When the audited entity provides evidence which does not support meaningful movement towards implementation of a recommendation, or no evidence is provided, where implementation might take time and it is in the process but there is nothing that can be measured.
Overtaken by event	When the recommendation made has been overtaken by other circumstances which are likely to make the recommendation not to be relevant or to have less impact at that particular time.

Source: Audit Office (2018)

Table 1.3 above describes the levels of implementation which will be used to measure the performance of implementation throughout the report. For the purpose of analyzing the level of implementation of the issued recommendations, a classification of each of the issued recommendations was made basing on:

- Nature of recommendation; and
- Length of time needed to implement the issued recommendation.

Nature of the recommendation: includes analyzing the nature of issues that the concerned recommendation is all about. These are such as planning,

budgeting, implementation, monitoring and evaluation, performance measurement, coordination, policy making, etc.

Moreover, *Length of time needed to implement an issued recommendation* to its completion was used as another criterion for analyzing implementation of the issued recommendations.

Table 1.4 provides three categories used to classify implementation levels in relation to the duration required for implementing the issued recommendations.

Table 1.4: Classification of Recommendations in Relation with Time

Classification of Time	Measurable factors
Short-term recommendations	Recommendations that take less than 6 months to be fully implemented. These are recommendations that do not need much time and budget to implement them.
Medium-term recommendations	Recommendations that take between 6 and 18 months to be fully implemented. These are recommendations that need considerable time and budget to implement them.
Long-term recommendations	Recommendations that take between 18 and 36 months to be fully implemented. These are recommendations that need enough time and budget to implement them. Similarly, these recommendations involve seeking various approvals from higher authorities to the audited entities or involve development of various guides or implementation policies.

1.8 Data Validation Process

The audited entities, which were issued with respective recommendations and which were the subjects of this follow-up, were given the opportunity to go through the observations made during the follow-up and comment on the accuracy and correctness of information and statistics presented. Confirmation on the accuracy of the figures used and information presented in the audit report was also considered.

1.9 Standards Used for the Follow-up

The follow-up audit work was conducted in accordance with the International Standards of Supreme Audit Institutions on performance auditing. ISSAI 300 provides for principles of performance audit, specifically, ISSAI 3000/5.5 provides guidelines on how to conduct follow-up audits.

The standard requires that the follow-up be planned and performed in a manner that enables auditors to obtain sufficient and appropriate evidence to serve as the basis for reporting the outcome of the issued recommendations and provide feedback to SAls.

Results of follow-up are reported appropriately in order to provide feedback to the Parliament on the level of implementation for corrective actions to be taken where relevant.

1.10 Structure of the Report

This report is presented in nine chapters as follows:

Chapter One provides the introduction and background, objectives, scope, criteria and methodology used during the follow-up.

Chapter Two through Six present the main findings regarding the implementation of audit recommendations noted from the individual performance audit reports.

Chapter Seven presents the governance arrangements for the implementation of performance audit recommendations in the audited entities.

Chapter Eight provides the audit conclusions and recommendations based on the findings of the follow-up

CHAPTER TWO

FOLLOW-UP ON THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE PERFORMANCE AUDIT ON MANAGEMENT OF URBAN PLANNING IN TANZANIA

2.1 Background of the Audit

The Performance Audit on the Management of Urban Planning was tabled before Parliament in April, 2015 and the audited entities were the Ministry of Lands, Housing and Human Settlements Development (MLHHSD) and President's Office - Regional Administration and Local Government (PO-RALG) as the main actors with the overall responsibility of managing urban planning in the country.

Local Government Authorities (Planning Authorities) were also covered in this study as the key players due to the fact that the implementation of urban planning policies is done at the LGA level.

The overall objective of the audit was to determine whether the Ministry of Lands, Housing and Human Settlements Development and the President's Office - Regional Administration and Local Government are managing urban settlements through urban planning systems and practices in the country.

2.2 Audit Scope

The audit focused on the management of urban settlements by the Ministry of Lands, Housing and Human Settlements Development (MLHHSD) and the President's Office-Regional Administration and Local Government (PO-RALG) in Tanzania. Specifically the audit focused on the development of planning schemes, strategies and their implementation as well as monitoring and evaluation of planning schemes.

2.3 Main Audit Findings

(a) Most of LGAs do not develop and update General Planning Schemes to guide the development of towns

80% of LGAs were found operating without General Planning Schemes to direct urban land development such as industrial, residential, commercial, infrastructure allocation, recreational, open spaces, and public facilities such as schools, health centers in their particular areas.

Furthermore, out of 148 LGAs, 96 (65%) LGAs had never prepared or developed Master plans since their establishment and 52 (35%) LGAs have Master Plans that had expired and no reviews had been done at the time of the follow up.

(b) Planning Authorities with Planning Schemes that do not implement them accordingly

Only 20 percent of the Planning Authorities in the country found to have general planning schemes but their implementations were found to be contrary to the Master plans. For example, it was observed in Dar es Salaam City where the Master Plan of 1979 designed some parts of the city as industrial areas. However, the implementation of the Plan was different. In Dodoma, the Capital Development Authority developed the first Master Plan in 1976, but land use developments were taking place contrary to it.

For example, areas earmarked for green structures and industrial areas were encroached upon and turned into residential areas. Furthermore, most of areas allocated for open spaces have been encroached upon for example in Mbeya City Council, 17 (24%) of public open spaces were encroached; at the same time 24(33%) of open spaces had not been developed for the intended purpose; and only 31 (43%) of the open spaces have been developed for the intended purposes.

(c) Developed urban planning strategies do not address the preparation of general planning schemes

Urban planning Strategies developed were unsustainable because they were donations and loans oriented; focused mainly on infrastructures and covered only a small part of the country. Efforts taken such as plot supply and allocation of projects were very expensive to be afforded, profit margin established in some of the projects were more than 250%. Furthermore upgrading projects in many areas did not adequately and effectively address the problem of urban settlements because they failed to take on board all important aspects like designation of adequate land for public utilities, recreational and public open spaces.

(d) Relevant Institutions such as TANESCO, TTCL, DAWASCO, and TANROADS were not involved in the preparations of planning schemes

Planning authorities prepared Planning Schemes without involving relevant institutions which provide basic services in communities. Four (4) out of five (5) utility companies namely TANESCO, TTCL, DAWASCO and TANROADS were not involved in all the stages of developing and implementing planning schemes.

The main cause for non-involvement of these utility companies (TTCL, DAWASCO, TANESCO and TANROADS) in planning and implementation of Planning Schemes was lack of coordination and the result of this act is the increased cost of various projects. For example, from sampled projects recently implemented by TANROADS (three projects), TTCL (one project), and TANESCO (one project) a total of TZS 28.53 billion was incurred as an additional cost for paying compensation and reallocations of infrastructures in the projects when providing basic services.

(e) Insufficient Monitoring and Evaluation of urban planning activities

Planning Authorities visited did not report to the Ministry of Lands, Housing and Human Settlements Development and PO-RALG on the implementation of planning schemes. Equally, the Division of Physical and Urban Planning of the Ministry of Lands, Housing and Human Settlements Development did not make follow-ups on the status of implementation of Detailed Planning Schemes. There were no annual and mid-term reviews done by Planning Authorities on the implementation status of the General and Detailed Planning Schemes.

2.4 Overall Audit Conclusion

The overall audit conclusion was that, the Ministry of Lands, Housing and Human Settlements Development; President's Office-Regional Administration and Local Government and the LGAs visited during the audit, did not adequately and effectively manage urban planning activities as most of LGAs neither developed nor updated their General Planning Schemes to guide the development of their LGAs.

It was also observed that the Planning Authorities did not implement Planning Schemes accordingly; developed urban planning strategies did not address the preparation of general planning schemes; relevant institutions such as TANESCO, TTCL, DAWASCO, and TANROADS were not involved in the preparation of planning schemes; likewise there was insufficient monitoring and evaluation of urban planning activities.

2.5 Results of the Follow-up on the Implementation of the Issued Audit Recommendations

This part presents implementation status of issued recommendations in three categories namely, *recommendations that were fully implemented*, *partially implemented* and those which were *not implemented* by the Ministry of Lands, Housing and Human Settlements Development and President's Office Regional Administration and Local Government.

2.5.1 Overall Levels of Implementation of Issued Recommendations

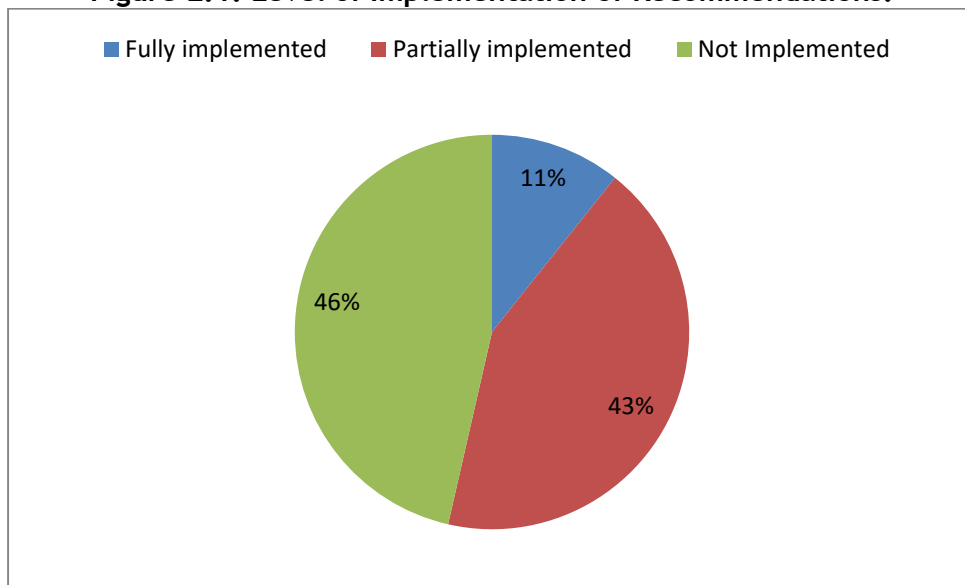
Overall Implementation of issued Performance Audit Recommendations

A total of 28 recommendations were issued in this particular audit. 15 (54%) recommendations were directed to the Ministry of Lands, Housing and Human Settlements Development whereas 13 (46%) recommendations were directed to the President's Office - Regional Administration and Local Government (PO-RALG).

The overall follow-up results on the implementation of issued audit recommendations indicated that 3 out of 28 (equivalent to 11 percent) recommendations were fully implemented, while 12 out of 28 (equivalent

to 43 percent) recommendations were partially implemented, while 13 recommendations (equivalent to 46 percent) were not implemented.

Figure 2.1: Level of Implementation of Recommendations.



Source: Auditors' analysis of responses from MLHSD and PO-RALG (2018)

Figure 2.1 shows the overall implementation status of issued Performance Audit Recommendations in terms of recommendations that were fully, partially and not implemented. Figure 2.1 indicates that 89 percent of the issued recommendations were either fully or partially implemented.

Table 2.1 below provides a detailed description of all recommendations from the audited entities by indicating the total number of recommendations issued, and the specific number of recommendations which were fully implemented, partially implemented, not implemented as well as those which were overtaken by event.

Table 2.1: Implementation status of Audit Recommendations

Audited Entity	Number of Issued Recommendations	Level of Implementation of Recommendations					
		Fully implemented		Partially implemented		Not implemented	
		Number	%	Number	%	Number	%
<i>MLHHS</i>	15	1	7	6	40	8	53
<i>PO-RALG</i>	13	2	15	6	46	5	39
<i>Grand Total</i>	28	3	11	12	43	13	46

Source: Auditors' analysis of responses from MLHHS and PO-RALG (2018)

As seen in Table 2.1, twelve (12) recommendations (equivalent to 43 percent) were partially implemented and thirteen (13) recommendations (equivalent to 46 percent) were not implemented.

Further analysis of the issued recommendations per each cluster or category was made. The analysis made was based on the status of the level of implementation of the audit recommendations. Table 2.2 provides clusters of all issued recommendations and indicates the recommendations that were not implemented.

Table 2.2: Category of recommendation not implemented

Category of the Recommendation	Total Number of Issued Recommendation	Number of Recommendation Not Implemented	
		Number	%
Planning and Budgeting	11	3	27
Development of Strategies and Controls	5	3	60
Monitoring and Evaluation	4	3	75
Coordination of Stakeholders	4	3	75
Decision making on Implementations	4	1	25
Total	28	13	46

Source: Auditors' Analysis from interviews reviewed documents (2018)

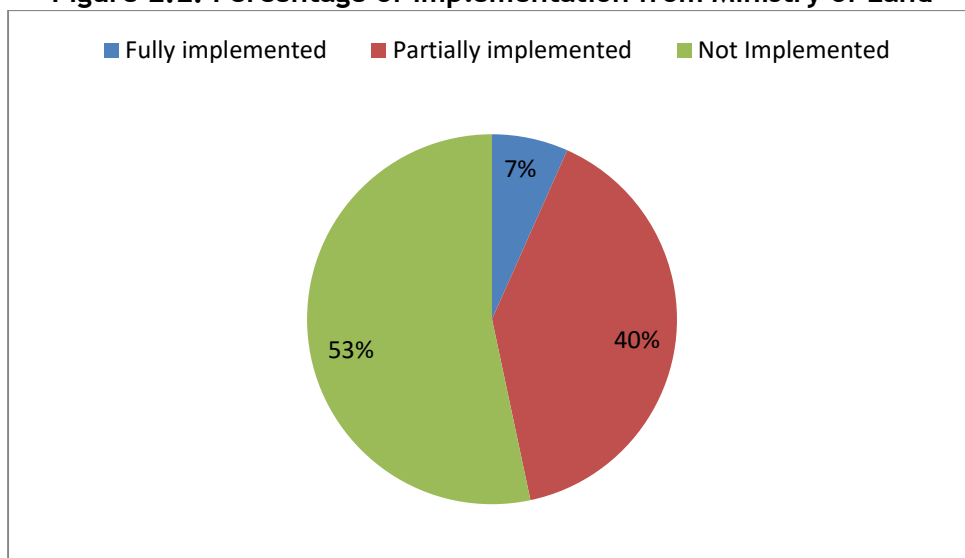
Table 2.2 shows that a total of 13 out of all 28 issued recommendations (equivalent to 46 percent) were not implemented up to the time of follow up and these recommendations were under the categories of planning and budgeting, monitoring and evaluation, decision making as well as coordination.

2.5.2 Level of Implementation of Audit Recommendations Issued to the Ministry of Lands, Housing and Human Settlements Development

The audit team found that the Ministry of Lands, Housing and Human Settlements Development had fully implemented 1 out of 15 recommendations (equivalent to 7 percent) and partially implemented 6 out of 15 issued recommendations (equivalent to 40 percent). 8 out of 15 recommendations (equivalent to 53 percent) were not implemented.

Figure 2.2 shows the implementation status of recommendations issued to the Ministry of Lands, Housing and Human Settlements Development

Figure 2.2: Percentage of implementation from Ministry of Land



Source: Auditors' analysis from the MLHSD (2018)

Furthermore figure 2.2 reveals that MLHSD fully implemented 7 percent of the issued recommendations while 93 percent of the issued recommendations were either not implemented or partially implemented.

(i) Recommendations that were not implemented

The audit team noted that five issued recommendations were not implemented by the Ministry of Lands, Housing and Human Settlements Development. These recommendations were:

Recommendation 1: Planning Authorities are developing and Reviewing General and Detailed Planning Schemes within their areas of jurisdictions by including them in their Strategic planning

The recommendation called for the government to strengthen urban planning schemes and include them in the strategic plans for efficient implementation.

The Ministry of Land, Housing and Human Settlements Development has been building capacity of Planning Authorities in terms of human, financial resources and technical backstopping as well as ensuring that they conform to the Planning standards during the approval of the General Planning Schemes and Detailed Planning Schemes.

The Ministry through letter with Reference No. CCE. 214/215/01/39 of 19th February, 2018 directed LGAs to budget for the preparation of General Planning Schemes

However the audit team did not find any evidence whether the capacity building provided to LGAs had impact on integrating the planning schemes into strategic planning in their areas. Additionally no evidence was provided to support the effort done by the Ministry of Land, Housing and Human Settlements Development on this matter.

Recommendation 2: The Ministry of Lands, Housing and Human Settlements Development is supposed to recognize Urban Planning as a priority sector both at the National and Local levels

This recommendation was geared at making the Ministry of Lands, Housing and Human Settlements Development to show its commitments in all development activities that involve urban planning by ensuring that issues related to urban planning are involved in the execution of policies, regulations and resource allocation.

Currently, the Consultant (Ardhi University) has submitted the first draft of the National Human Settlement Policy. The draft of National Land Policy is at the stage of being presented to Inter Ministerial Technical Committee (IMTC).

However, the Ministry did not provide evidence to show that urban planning is being highlighted as one of the priority areas in the newly designed policy. Additionally, at the local government level, the Ministry did not implement this recommendation to make sure that urban planning is being prioritized at the local government level.

Recommendation 3: In collaboration with other authorities ensure that LGAs include preparation and implementation of urban planning schemes in their MTEF

The government through the Ministry of Lands, Housing and Human Settlements Development and Local Government Authorities were advised to create collaborative mechanisms that would ensure implementation of urban planning schemes in their annual budget.

The MLHSD has prepared Technical Circular No. 4 (*Waraka wa Kitaalamu Na. 04 wa mwaka 2016, Usimamizi na Udhibiti wa Uendelezaji Miji Nchini*)

The team found out that this recommendation is not implemented because, despite the fact that the circular is available, issues related to the implementation of urban planning are not included in the budget of Local Government Authorities.

Recommendation 4: Allocate all necessary staff in the field of urban planning from LGA to Ward level

This recommendation was meant to require the Ministry of Lands, Housing and Human Settlements Development to create a regulation which would enhance availability of planning staff to the lowest level of the government and ensure services are rendered at all levels from the lowest level to the national level.

Section 3.24.3 of the Draft National Land Policy of 2017 recommends decentralization of development control to ward level. Furthermore, Technical circular No 4 of 2016 reiterates the urgency of decentralizing urban development control to the ward level.

The team found out that this recommendation was not implemented because during the verification visits in Mwanza region the team noted that there were no professional urban planning staff at the ward levels.

Recommendation 5: Enforce the implementation of planning schemes as approved

This recommendation aimed at ensuring that the approved planning schemes were being implemented and there was an effective way to enforce their implementations.

It was provided that MLHSD issued Technical Circular No. 4 of 2016 to LGAs for controlling development of LGAs. Town Planner Registration Board conducted professional seminar to 38 Town Planners in the Lake Zone whereby a total of 491 Town Planners from the Ministry of Lands, Housing and Human Settlements Development and LGAs were trained on various town planning aspects within and outside the country.

Responses given by the Ministry on various trainings provided did not show the extent to which the enforcement of the approved planning schemes was effective as required by this recommendation.

Recommendation 6: Recognize the role played by land rangers and find the mechanism to institutionalize their position from LGA level to ward level

This recommendation was issued in order to ensure that land rangers were formally introduced in the operations of LGAs in order to handle issues related to land.

It was noted that MLHSD was working on how to reinstate the cadre of Land Rangers to be employed in all LGAs in the Urban Planning Department. Their functions were supposed to be extended to the ward level to assist in controlling development that were taking place at the ward level to make sure that LGAs were in the position to meet the laid down requirements.

This recommendation was not implemented simply because the responses given by the Ministry of Lands, Housing and Human Settlements Development did not have time frame or any other practical information on the institutionalization of the cadre of Land Rangers in the operations of LGAs.

Recommendation 7: Planning Authorities are developing and reviewing general and detailed planning schemes within their areas of jurisdiction by including them in their Strategic planning

MLHSD has been building capacity of planning authorities in terms of provision of resources and technical backstopping as well as ensuring conformity to planning standards during the approval of General Planning Schemes and Detailed Planning Schemes. Further Ministry of Lands, Housing and Human Settlements Development has directed all LGAs to set aside budget for preparations of General Planning Schemes.

The audit team found out that this recommendation was not implemented because there were no adequate evidence to show that the technical support provided led to the improvement of strategic planning.

Recommendation 8: Planning Authorities are developing Mechanisms that will manage utilization of funds obtained from plot allocation projects for the purpose of ensuring sustainability of the projects

From this recommendation the audit team noted that the government has recently centralized the payment system in which all funds collected from plot allocation are first centrally managed, however the Ministry has not clearly indicated mechanisms through which these funds from plot allocation will be utilized to ensure sustainability of the projects.

(ii) Recommendations that were partially implemented

Recommendation 1: *The Ministry of Lands, Housing and Human Settlements Development was supposed to make sure that developed strategies focus on planning of an area prepared prior to its development*

This recommendation aimed at ensuring that all developed strategies were in conformity with the pre-established plans particularly master plans of a particular area.

An analysis of the level of implementation of this recommendation showed that Ministry of Lands, Housing and Human Settlements Development and PO-RALG implemented this recommendation at different stages;

- a) Fully prepared and approved master plans
- b) Fully prepared master plans but awaits approval of the Minister
- c) Draft master plans
- d) Conducting public hearing
- e) At Early stages: this is the initial stage in the development of master plan whereby real time situation in the LGA is established. It includes establishing the population in the LGA, collecting various data and analyzing them prior to drafting the master plan.

Table 2.3: Level of implementation of Master Plans

Implementation Stage	Number of LGAs	Concerned LGAs
Fully approved	6	Iringa MC, Kibaha TC, Korogwe TC, Musoma MC, Singida MC and Mtwara MC
Prepared, await for approval	6	Arusha CC, Mwanza CC, Bariadi DC, Songea MC, Tabora MC, and Tunduma MC.
On Public hearing	3	Bababati TC, Sumbawanga MC, Morogoro MC
Draft completed	8	Dar es salaam CC, Tanga CC, Kigoma MC, Njombe DC, Mpanda TC, Lindi MC, Geita DC, Shinyanga MC
At early stages	4	Dododma CC, Malinyi TC, Ifakara and Mahenge TC
Total	27	

Source: Auditors' analysis of the given responses from MLHHSD and PO-RALG

Table 2.3 shows that MLHHSD and PO-RALG have prepared and processed Master Plans for 23 LGAs out of 27 LGAs up to an advanced stage of implementation, while 4 out of 27 LGAs are still in their early stages of being processed.

The Ministry has addressed this recommendation although not all LGAs in the country have got approved Master Plans and therefore the implementation is still in progress.

Therefore the audit team found out that this recommendation was partially implemented because only 27 out of 185 LGAs (equivalent to 15 percent) had the Master Plans at different stages of development as shown in Table 2.3.

Recommendation 2: Establish strong development controls that will assist the plans to be implemented as approved and allocate all necessary staff in the field of urban planning from council to ward level

MLHHSD has issued Technical Circular No. 4 of 2016 to all Regional Secretariats and LGAs. The Circular requires LGAs to formulate Development Control Units and their responsibilities in relation to the implementation of approved development plans.

The circular recommends the composition of the Development Control Unit to include:

- LGAs' Solicitor as Chairperson
- Town Planner as Secretary
- Civil Engineer
- Water Engineer
- Land Surveyor
- Authorized Land Officer
- Health Officer
- Trade Officer
- Environmental Officer and an Architect

It was found that this recommendation was partially implemented despite the failure of the Ministry to provide evidence to show the number of Development Control Units which were established in 27 out of 185 LGAs in the country. On the other hand, there was no evidence to justify their operations in the visited LGAs, for instance Ilemela MC in Mwanza and Kigamboni MC in Dar es Salaam.

Recommendation 3: MLHHSD in collaboration with PO-RALG has to devise a mechanism which will ensure that relevant government institutions responsible for provision of utilities and other services adequately participate and are involved in the development and implementation of planning schemes and their activities are properly coordinated

This recommendation was issued to advise the Government to create conditions that would bind government institutions to collaborate with one another in order to harmonize issues related to urban planning and provision of other important services to the communities.

Section 5.1.4 of the Draft National Land Policy provides for institutional linkages and coordination of various utility agencies. National Human Settlement Development Policy which is being reviewed will provide for

institutional coordination of the institutions that are responsible for utilities and other services such as electricity, water, waste water etc.

Technical Circular No. 4 of 2016 issued by the Ministry of Lands, Housing and Human Settlements Development to all RS and LGAs on how to involve utility agencies in the preparation and implementation of Planning Schemes.

The audit team found out that this recommendation was partially implemented because the policy was not yet implemented. This means that urban planning and its execution had no institutional coordination despite the fact that there was a draft policy in place.

Recommendation 4: The Ministry of Lands, Housing and Human Settlements Development was supposed to develop programs that will guide and assist the planning authorities in developing planning schemes

This recommendation was issued in order to ensure that the Ministry of Lands, Housing and Human Settlements Development had in place sustainable ways through which urban planning could rely on for the longer period.

It was noted that the Ministry of Lands, Housing and Human Settlements Development has developed programs to guide and assist Local Government Authorities in developing planning schemes as follows:

- i. National Programme for Regularization and Prevention of Unplanned Settlements (2013 - 2023). This program aims to curb urban sprawl and emergencies of new unplanned settlements;
- ii. Draft Program for Regularization of Unplanned Settlements in Dar es Salaam (2016-2018). This program aims to upgrade and formalize unplanned settlements to provide good base for development of infrastructures; and
- iii. Draft National Program for Preparation of General Planning Scheme in Tanzania (2016-2021). This program aims to provide capacity building to enhance general Planning schemes.

The audit team analyzed the level of implementation of those programs and noted that the recommendation was partially implemented since the programs were not being used by Planning Authorities since they were still at the draft stage. Similarly, their level of dissemination to planning authorities has not been attained.

Recommendation 5: Decentralize responsibilities for the preparation and implementation of general planning schemes from MLHSD to the LGAs and assist them with capacity enhancement to manage those responsibilities

The Ministry of Lands, Housing and Human Settlements Development has supported 6 planning authorities in the following ways:

- (i) Provision of Ministry's staff to work with LGAs to prepare Master Plans of 6 Planning Authorities namely Iringa MC, Mtwara MC, Bariadi DC, Shinyanga MC, Mwanza CC and Arusha CC.
- (ii) Provision of Financial support of about TZS 115 million to finalize Mtwara's Master Plan and provision of Technical and human resource support to finalize master plans for Mwanza and Arusha.
- (iii) Provision of human and financial resource to prepare detailed schemes in Chasimba and Makongo in Kinondoni MC, and Kimara in Ubungo MC where 491 Town Planners were trained. Provision of human and financial resource to prepare detailed schemes in Kibaha DC, Kigamboni MC and Kisaki Trading Center in Morogoro District Council.

Additionally, MLHSD has prepared Guidelines for the Preparation of General Planning Schemes and Detailed Schemes for new areas, Urban Renewal and Regularization of Unplanned Settlements of 2007 and Technical Circular No. 3 (*Waraka wa Kitaalamu Na. 03 wa mwaka 2015*).

The Ministry of Lands, Housing and Human Settlements Development has distributed copies of National Programme for Regularization and Prevention of Unplanned Settlements and Manual for Regularization of unplanned Settlements to all five zones.

The Ministry of Lands, Housing and Human Settlements Development through Town Planners Registration Board conducted a professional seminar to 38 Town Planners in the Lake Zone.

Further, MLHSD through Town Planners Registration Board reviewed and distributed copies of the reviewed town planning registration act to all registered town planners in Local Government authorities. However The Ministry could not provide records to show the number of copies of the reviewed town planning registration act distributed.

The audit team found that this recommendation was partially implemented because the Ministry of Lands, Housing and Human Settlements Development has decentralized the process and responsibilities of general planning schemes to LGAs and has provided technical support to them to facilitate the process though to only 27 out of 185 LGAs in the country.

Recommendation 6: Decentralize powers to approve detailed planning schemes to the Regional Administrative Secretary and ensure that the RS office has competent urban planning experts

MLHSD has prepared draft miscellaneous amendments of the Urban Planning Act No. 8 of 2007 to decentralize powers of the Director of Rural and Urban Planning to eight (8) Zones. The Act has been amended to decentralize powers of the Director of Rural and Urban Planning to eight (8) Zones.

Eight (8) Principal Town Planners have been appointed as a step to decentralize powers of the Director of Rural and Town Planning to eight zones. The eight appointed Principal Town Planners and their supporting staff are already working in their respective zones since July, 2018.

The audit team found out that the recommendation was partially implemented because the recommendation was calling for decentralization to confer more responsibilities of approving detailed planning schemes to the Regional Secretariats as they are working closer with LGAs.

Recommendations which were fully implemented

Recommendation 1: The Ministry of Lands, Housing and Human Settlements Development was supposed to prepare and issue regulations on time to provide relevant guide to planning authorities

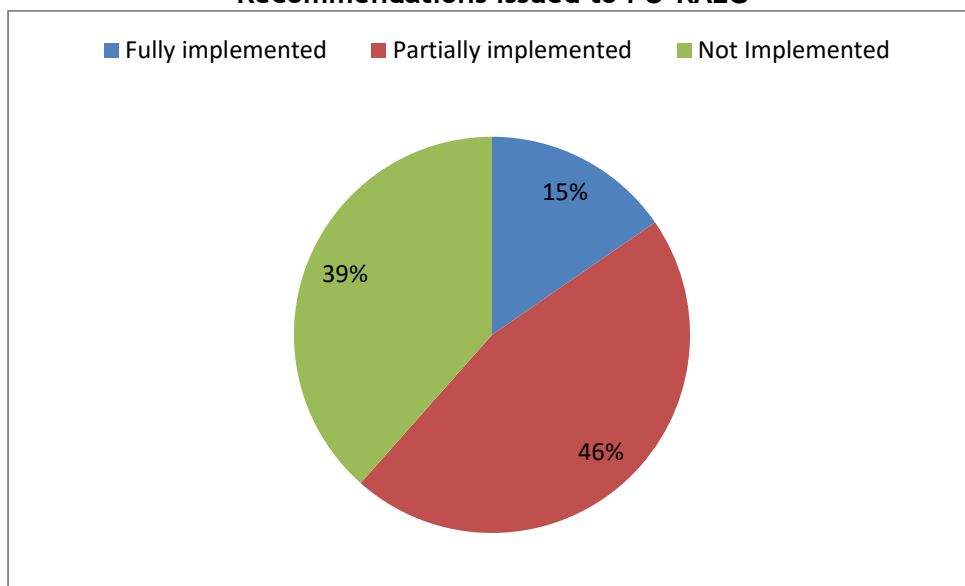
The regulations of the Urban Planning Act No. 8 of 2007 were gazetted in the Government Gazette, Issue No. 10 of 9th March, 2018. Therefore this recommendation is fully implemented.

2.5.3 Level of Implementation of Audit Recommendations issued to PO-RALG

Thirteen (13) Recommendations were issued to the President's Office - Regional Administration and Local Government (PO-RALG). Out of these 13 recommendations, 2 (15%) recommendations were fully implemented, 6 (46%) recommendations were partially implemented, and 5 (39%) recommendations were not implemented.

Figure 2.3 shows the implementation status of the recommendations that were issued to the President's Office - Regional Administration and Local Government (PO-RALG).

Figure 2.3 Percentage Level of Implementation of the Recommendations Issued to PO-RALG



Source: Auditors' analysis (2018)

Moreover, Figure 2.3 shows that 39 percent of the issued recommendations were not implemented by PO-RALG, 46 percent of the issued recommendations were not implemented and 15 percent were implemented.

Table 2.3: Summary of the overall implementation of issued recommendations to PO-RALG

Number of Issued Recommendations	Level of Implementation of Recommendations					
	Fully implemented		Partially implemented		Not implemented	
	Number	%	Number	%	Number	%
13	02	15	06	46	05	39

Source: Auditors' Analysis from interviews reviewed documents (2018)

Further analysis of the issued recommendations that were not implemented revealed that these recommendations were falling under the category of decision making and coordination. This means that there is no improvement on the areas of decision making and coordination of urban planning in the country.

The detailed analysis of the recommendations issued to President's Office - Regional Administration and local Government is presented below:

(i) **Recommendations that were Partially Implemented**

The audit team noted that there were seven recommendations which were partially implemented. These recommendations were:

Recommendation 1: Developing and reviewing general and detailed planning schemes within their areas of jurisdiction by including them in their strategic planning

Thirty Seven (37) LGAs were at different stages of preparation of GPS. Eight (8) out of those 37 LGAs including Arusha and Mwanza CC, Musoma MC, Singida MC, Iringa MC, Mtwara MC and Korogwe and Kibaha TC had completed the preparations and got the relevant approval to proceed and implementing their plans.

Five (5) LGAs including Songea and Sumbawanga Municipalities, Babati, Bariadi and Tunduma Town Councils were at the final stages of approvals while twenty four (24) LGAs were at different stages (30% - 70%) of the preparation of GPS. The remaining LGAs were at the first stage of GPS preparation.

During the site visits, the audit team was able to verify the presence of General Planning Schemes in Mwanza CC and Iringa MC.

Thus the recommendation was partially implemented since not all LGAs had completed the processes of preparing General Planning Schemes.

Recommendation 2: Make sure that developed strategies focus on planning of an area prepared prior to its development

All planning Authorities have been directed by PO-RALG to prepare detailed plans including Town Plans and Surveyed plans in order to ensure that development is done within the planned areas.

During the verification visits to three (3) LGAs of Ilemela MC, Kigamboni MC and Iringa MC, it was noted that these LGAs had plans, however the plans were mostly out dated and some areas within LGAs were not covered with such plans. PO-RALG did not provide details on the directives that were issued and how surveyed plans would be integrated with the development strategies.

Therefore, this recommendation was partially implemented since PO-RALG had issued the directives but the details of the directives were not given to the audit team even though LGA such as Kigamboni and Iringa MC had developed plans and started to use them.

Recommendation 3: Planning Authorities have to come-up with strategies for improving urban planning within their area of jurisdiction

Currently, the settlements formalization and upgrading programs of unplanned settlements in LGAs (particularly in the cities and municipalities) are on - going under the supervision of PO - RALG and RSs. This exercise would result into orderly settlement and enhancement of land related revenues.

This recommendation was partially implemented because PO-RALG did not provide evidences and statistics to support the current status of LGAs which had formalized and/or upgraded programs for improving urban planning.

During the verification visits at Ilemela MC and Kigamboni MC, it was found out that, these LGAs had started to upgrade the unplanned settlements by re- designing areas which were already developed without proper planning.

The recommendation was partially implemented since the audit team found out that the LGAs in some areas had already upgraded the unplanned settlements despite the fact that PO-RALG did not provided adequate evidence with regard to the guide to formalize and upgrade the unplanned settlements.

Recommendation 4: Apply sanctions to any developer who violates land and planning laws as per the stipulated laws and regulations, and periodically assess the effectiveness of the applied sanctions

PO-RALG issued directives to LGAs through RS to enforce rules governing urban planning. In addition to that, Draft Urban Development Management Policy has addressed the issue of urban development control.

Also PO-RALG was found to be in the process of finalising the strategy for improving procedures for issuing building permits and management of urban construction in LGAs.

It was also found out that there was no evidence supporting this implementation status and there were no statistics showing which sanctions had so far been instituted against those who violated the rules and regulations. Similarly assessment reports on the effectiveness of those sanctions were not issued to auditors for further scrutiny.

However, during the verification visits to the Ilemela MC and Kigamboni MC, it was found out that the directives from PO-RALG was received and LGAs had taken several measures including ordering the demolition of under development buildings that had violated regulations. Demolition was done

at the cost of developers. It was also noted that monitoring visits were done regularly to control constructions without permits.

Thus, this recommendation was partially implemented since the strategy that would provide guidance for improving procedures for issuing building permits and management of urban construction was not yet finalized.

Recommendation 5: Recognize the role played by land rangers and find the mechanism to institutionalize their position from council level to ward level

The urban Development Management Policy emphasizes the need to allocate staff to street and ward levels. PO-RALG is conducting staff Needs Assessment in all LGAs so as to identify existing gaps in urban planning management which need to be institutionalised.

The needs assessment report was not shared to the audit team to confirm whether the report has suggested that Land Ranges would be institutionalized to the local level.

Therefore, this recommendation was partially implemented since the results of the needs assessment were not shared to the audit team.

Recommendation 6: Allocate all necessary staff in the field of urban planning from council to ward level

The Draft Urban Development Management Policy which is under preparation emphasizes the need to allocate Town Planners at ward level. PO-RALG has conducted staff Needs Assessment in all LGAs and has identified various existing gaps in the management of urban planning sector for the purpose of obtaining recruitment permits from PO-PSM.

Staff are currently managed under the Permanent Secretary of the Ministry of Lands, Housing and Human Settlements Development. This is because the responsibility for the assessment and preparation of inventory reports is vested in the Permanent Secretary of MLHHSD.

The Ministry did not specifically indicate whether it had allocated staff to the Planning Authorities. In addition to that, the Needs Assessment Report was not shared to the audit team and there was no clear elaboration on how MLHHSD was planning to allocate staff based on the needs assessment that was recently done.

Therefore, this recommendation was partially implemented because MLHHSD failed to allocate staff in council and ward level.

(ii) Recommendations that were not implemented

The audit team noted that there are two recommendations that were not implemented at all by the President's Office - Regional Administration and local Government. These recommendations are:

Recommendation 1: MLHSD in collaboration with PO-RALG has to devise a mechanism which will ensure that relevant government institutions responsible for the provision of utilities and other services adequately participate and are involved in the development and implementation of planning schemes and their activities are properly coordinated

PO-RALG has not implemented this recommendation despite admitting that the implementation of this recommendation calls for collective reaction and responsibilities from other government agencies such as TANESCO and TANROADS.

During the interviews with officials from the visited LGAs namely, Kigamboni MC and Iringa MC, it was noted that, there was harmonious and coordinated planning of activities between various government agencies. However different factors such as availability of funds was a challenge in such a way that when one agency was ready to start its operation in some circumstances the other agency might have not funds readily available for that particular activity or was not in their priority list.

Recommendation 2: Recognize Urban Planning as a priority Sector both at the national and local levels

This recommendation was not addressed by PO-RALG apart from mentioning that MLHSD in collaboration with PO - RALG conducted staff needs assessment in RSs and LGAs to fill the gaps and for the institutionalization of Urban Planning Management.

The audit team found that the response provided did address the staff needs assessment carried-out to show the government commitment to make urban planning a priority.

Recommendation 3: Establish mechanism that will ensure development is done as per approved planning schemes

Policy on urban development Management emphasized the need to allocate urban planning staff up to ward level. PO-RALG has worked with Ministry of Home Affairs and PO-PSM to finalise the scheme of service for Auxiliary Police to be employed by LGAs for law enforcement activities within LGAs. PO-RALG would ensure that Land Rangers are recruited in order to enforce urban planning rules and regulations.

PO-RALG did not provide details on the progress of the implementation of this recommendation; no status was given as related to the mentioned scheme of service or any measures taken to install mechanism that would ensure that developments in urban areas are done as per approved plans.

Recommendation 4: Evaluate the implementation of the approved planning schemes for further improvements

This recommendation was given to ensure that approved planning schemes are periodically evaluated with an intention of identifying gaps through which improvements can be made.

It was provided that MLHHSD and PO-RALG jointly developed a strategy for evaluating the implementation of the approved planning schemes.

Thus, this recommendation was not implemented because the responses from PO-RALG did not indicate the timeframe provided to implement the strategy neither it provided any practical information on the current implementation status of that strategy.

Recommendation 5: Establish mechanism that will ensure that plots allocation projects are sustainable

PO-RALG issued directives to all Planning Authorities to allocate a specific budget for Urban Planning activities on a yearly basis. Furthermore, PO-RALG instructed all LGAs to ring- fence some of the funds generated from land rent and selling of plots to sustain management of urban planning.

All LGAs were found to use the issued guidelines and PO-RALG is monitoring and tracking the utilization of the borrowed funds in order to ensure project sustainability. The LGRCIS is in place in all LGAs and the system is properly working

LGAs were directed by PO-RALG to set aside funds from their own sources of revenues for plot generation and currently LGAs were complying with their annual budgets.

Thus, this recommendation was not implemented because there was no evidence showing that LGAs had set aside funds from land rent revenues and from plots allocations for sustaining the projects.

(iii) Recommendation that were fully implemented

Recommendation 1: Enforce the implementation of planning schemes as approved

This recommendation was meant to design guidelines that would compel authorities to implement planning schemes as approved.

PO-RALG issued directives to LGAs through RSs emphasising on the use of laws, regulations and procedures which govern Urban Planning. Regular visits in LGAs is done by RS so as to monitor the urban development programs i.e. GPS implementation and compliance of urban planning and development laws and regulations

The guideline for issuance of building permit (attached) is in place and disseminated to RSs and LGAs. Currently, the majority of LGAs are issuing building permits for simple buildings (single storey buildings) within 7 days and complex buildings and multi-storey within 30 days. The activity is currently done at one stop centre.

2.5 Specific Audit Conclusion

Based on the analysis of the implementation status of the previously issued recommendations, it is concluded that MLHHSD and PO-RALG, have made satisfactory progress towards the implementation of the issued recommendations. However eleven (11) recommendations were implemented to the fullest. The respective management are advised to exert more efforts to ensure that all these recommendations are implemented.

2.6 Specific Audit Recommendations

2.6.1 Recommendations to the Ministry of Lands, Housing and Human Settlement Development(MLHHSD)

The Ministry of Lands, Housing and Human Settlement Development should:

1. Device mechanisms that will strengthen the development of planning schemes and ways to include them in strategic plans of the planning authorities;
2. Strengthen monitoring systems on implementations of circulars issued to planning authorities regarding development and implementation of planning schemes; and
3. Fast track and finalize the process of developing master plans of the all LGAs.

2.6.2 Recommendations to PO-RALG

The President's Office - Regional Administration and Local Government should:

1. Strengthen monitoring mechanisms to ensure that planning authorities implement planning schemes as developed and approved.
2. Liaise with other utility companies to ensure that developments of areas consider utility set up and infrastructures in conformity with the master plans.
3. Improve monitoring strategies on issued guidelines on plot allocation projects to ensure sustainability of the projects.

CHAPTER THREE

PERFORMANCE AUDIT ON MANAGEMENT OF DEMAND FORECASTING AND DISTRIBUTION OF ESSENTIAL MEDICINES AND MEDICAL SUPPLIES TO HEALTH FACILITIES

3.1 Background to the Audit

The Performance Audit Report on the Management of Demand Forecasting and Distribution of Essential Medicines and Medical Supplies to Health Facilities was tabled to the Parliament of the United Republic of Tanzania in April, 2015. The main audited entities were the Ministry of Health, Community Development, Gender Elderly and Children (MoHCDGEC) and Medical Stores Department (MSD).

3.2 Scope of the Audit

This audit focused on assessing the availability and distribution of essential medicines in public health facilities. Specifically, the audit examined whether MSD ensures that (a) demand forecasting process of essential medicine and medical supplies is done effectively, (b) effectiveness of MSD to ensure and distribute essential medicines and medical supplies (c) assess whether MoHCDGEC effectively monitors and evaluates availability of essential medicines and medical supplies in health facilities.

3.3 Main Audit Findings

The following were major findings of the audit:

Unreliable demand estimates for Health Facilities whereby, LGAs did not effectively conduct needs assessment to come up with the demand for essential medicines and medical supplies for their health facilities. Almost 50 percent of the required reports for demand forecasts from the visited LGAs were not submitted to MSD as required by the ILS Procedure Manual.

Longer lead times for the supply of medicines to Zones and HF's: The audit found out that there was longer processing and delivery times of orders from MSD Central Warehouse to Zones and from Zonal Warehouses to Health Facilities. There were also high levels of stock out for some of the medicines and lack of essential medicines.

The Systems for Monitoring and Evaluation were found to be weak: The operational plan of Pharmaceuticals Service Section did not have a comprehensive plan for monitoring the distribution of essential medicines

and medical supplies and the overall performance of the supply chain for the essential medicines and medical supplies in the country. Also, few indicators set for monitoring the availability of essential medicines as per Health Sector Strategic Plan III have not been executed.

Unreliable funding for medicines: It was revealed that the revolving fund at MSD was performing badly and this was evidenced by the deteriorating working capital at MSD. Government debt has increased 4 times in a period of 6 years from TZS 14 billion in 2008 to TZS 69 billion in 2014 while the repayment has been very slow.

3.4 Main Results of the Follow-up on the Implementation of Recommendations

The National Audit Office carried out a follow-up on the implementation of the issued recommendations to the Ministry of Health, Community Development, Gender, Elderly and Children and Medical Stores Department. The follow up aimed at examining if there was any improvement on demand forecasting and distribution of essential medicines and medical supplies to health facilities; and see if there was a need to issue new recommendations.

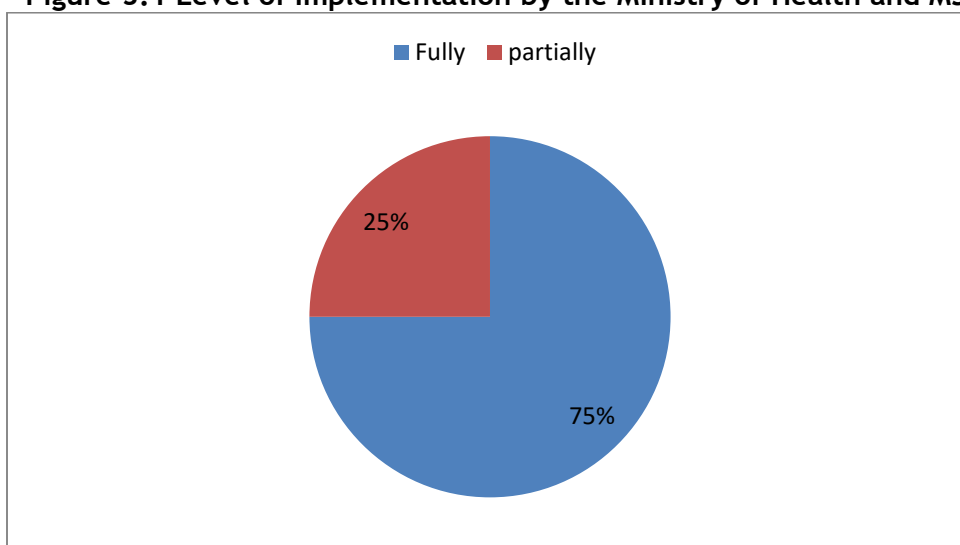
Therefore, this section presents implementation status of the issued recommendations. Implementation status has been categorized into three categories namely, recommendations that were fully implemented, partially implemented and those that were not implemented at all by Medical Stores Department and the Ministry of Health, Community Development, Gender, Elderly and Children.

3.4.1 Overall Findings of the Follow-up on Implementation of Audit Recommendations

In general there were 5 recommendations issued to MoHCDGEC and 7 recommendations that were issued to MSD.

Figure 3.1 shows the overall follow-up results on the implementation of issued audit recommendations and indicates that 9 out of 12 (equivalent to 75 percent) recommendations were fully implemented, while 3 out of 12 (equivalent to 25 percent) recommendations were partially implemented and no recommendation was not implemented.

Figure 3.1 Level of Implementation by the Ministry of Health and MSD



Source: Auditors' analysis of response from MoHCDGEC and MSD (2018)

Moreover, Figure 3.1 shows the levels of implementation by both audited entities (MoHCDGEC and MSD). Generally 75 percent of the issued recommendations were fully implemented and those recommendations which were partially implemented stood at 25 percent. This represents a fair trend regarding the implementation status of the issued recommendations.

On the other hand, Table 3.1 shows the detailed description of all recommendations issued to both audited entities by indicating the total number of recommendations issued and specific number of recommendations which were fully implemented, partially implemented as well as those which were not implemented.

Table 3.1: Overall Implementation of the Issued Recommendations

Entity	Total Number of Issued Recommendations	Level of implementation of recommendations					
		Fully Implemented		Partial Implemented		Not Implemented	
		Number	%	Number	%	Number	%
MoHCDGEC	5	4	80	1	20	0	0
MSD	7	5	71	2	29	0	0

Source: Auditors' Analysis of responses given by the Ministry of Health (2018)

Further analysis of the data provided in Table 3.2 with regard to the issued recommendations per each cluster or category was made on the basis of the status of the level of implementation of the audit recommendations.

Table 3.2: Category of recommendations

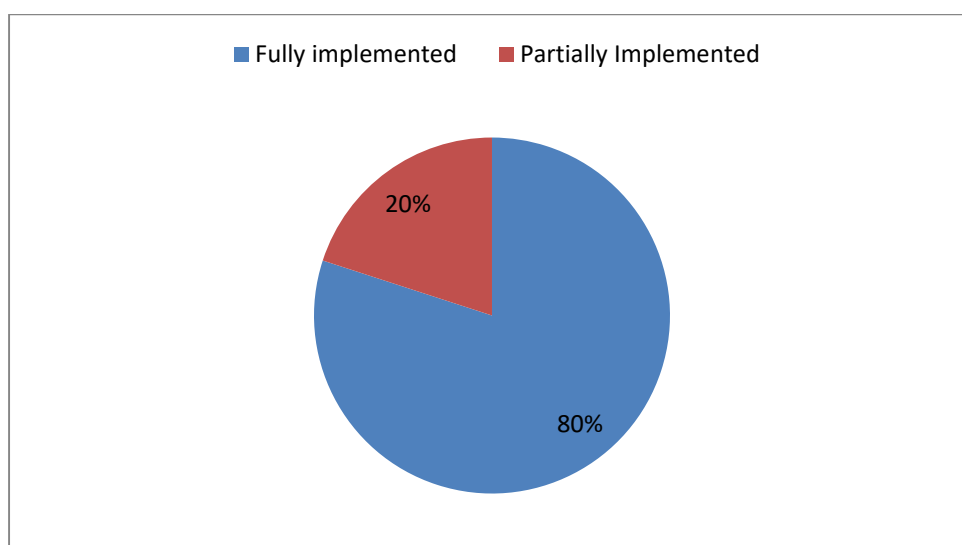
Category of the Recommendation	Total Number of Issued Recommendation	Number of Recommendation Partially Implemented	
		Number	%
Budgeting	2	1	50
Development Measure	2	1	50
Performance Measure	3	1	33
Coordination of stakeholders	1	0	-
Planning	1	0	-
Total	9	3	33

Source: Auditors' Analysis from interviews reviewed documents (2018)

Table 3.2 shows the issued recommendations that were partially implemented to-date and they were falling under the category of budgeting, development and performance.

Ministry of Health Community Development Gender Elderly and Children MoHCDGEC had a total of five (5) recommendations in which one (1) recommendation (equivalent to 20%) was partially implemented and four (4) recommendations (equivalent to 80%) were fully implemented as seen in figure 3.2.

Figure3.2: Level of implementation by MoHCDGEC



Source: Auditors' analysis of responses given by MoHCDGEC (2018)

Recommendation that was partially implemented

One recommendation which was partially implemented by the Ministry of Health Community Development Gender Elderly and Children:

Recommendation 1: The Ministry of Health, Community Development, Gender, Elderly and Children in collaboration with the Ministry of Finance and Planning has to develop a strategy which will ensure the government commitment in settlement of MSD debt in a specified timeframe.

MoHCDGEC partially implemented this recommendation because evidence submitted by the Ministry's officials revealed that payments to MSD were done and for the financial year 2016/17 a total of TZS 11,202,306,821/= was refunded. The review of fund disbursement from MoHCDGEC to MSD evidenced the payment of debt amounting to TZS 11,202,306,821/=.

It was further explained that, a budget of TZS 50 billion was set aside and this was verified by going through MoHCDGEC budget.

MoHCDGEC failed to provide the report of the verification of debts and the status of the debt clearly indicating the total amount of funds it owes MSD.

Recommendations that were fully implemented

The Ministry of Health, Community Development, Gender, Elderly and Children had five recommendations. Four (4) out of five (5) recommendations were fully implemented. These recommendations are provided as follows:

Recommendation 1: MoHCDGEC needs to strengthen the national supply chain system which will map all key actors, define their roles and establish accountability structure to enhance its operations.

The Ministry of Health, Community Development, Gender, Elderly and Children has fully implemented this recommendation. Interviews held with MoHCDGEC officials revealed that, the Ministry was in the final stages of developing a manual on roles and responsibility of all actors in the national supply chain system.

Review of the sixth draft 2018 on Tanzania Health Supply Chain Roles and Responsibilities Matrix revealed that the document would be a key reference document outlining supply chain roles and responsibilities of all key stakeholders at the institutional level.

A responsibility assignment matrix or RACI (Responsible, Accountable, Consulted, and Informed) was also evidenced to be in place. It was included for each business process flow which described the participation by various roles in completing certain supply chain process or function.

From the review of the quantification guidelines, it was evidenced that the MoHCDGEC formed a national quantification team which consisted of members from MoHCDGEC, MSD and PO-RALG. The guideline also clearly stipulated the levels involved in essential health commodities quantification exercise, roles and responsibilities of each stakeholder, as well as the calendar of activities and reporting schedules.

Recommendation 2: MoHCDGEC in collaboration with MoFP should ensure timely disbursement of funds as per approved budget to MSD to enable efficiency in its operations

Review of the implementation status report on budgeting submitted to the audit team showed that for the financial year 2016/17, the Ministry of Finance and Planning improved much for example, TZS 20 billion was being disbursed on monthly basis. During the financial year 2016/17 a total of TZS 121,082,306,821.44 was disbursed. MoHCDGEC did follow ups and improvements on the disbursement of funds was realized.

Moreover interviews held with officials from MSD at Mwanza Zonal Offices revealed that there were improvements in the disbursement of fund from the Ministry of Finance and Planning. Also, reviews of the correspondences addressed to MSD from MoHCDGEC for funds disbursement for the provision of medicines and medical supplies to public health facilities revealed that a sum of TZS 121,082,306,821.44 was disbursed during the financial year 2016/2017.

Recommendation 3: MoHCDGEC needs to strengthen the way it monitors performance of MSD as well as developing the performance agreement with MSD.

The Ministry of Health, Community Development, Gender, Elderly and Children and MSD prepared and implemented the Memorandum of Understanding (MoU). The MoU and performance agreement are still in place with the addition of monthly reporting of MSD to MoHCDGEC on issues involving stock availability and debt status.

Recommendation 4: Ministry of Health, Community Development, Gender, Elderly and Children has to consider reviewing its arrangement on how to finance the cost related to clearing, storage and distribution the donated medicines from the vertical programs.

The Ministry of Health, Community Development, Gender, Elderly and Children revealed that during the financial year 2016/17, GFS code for clearing and forwarding, storage and distribution of all health commodities have been introduced.

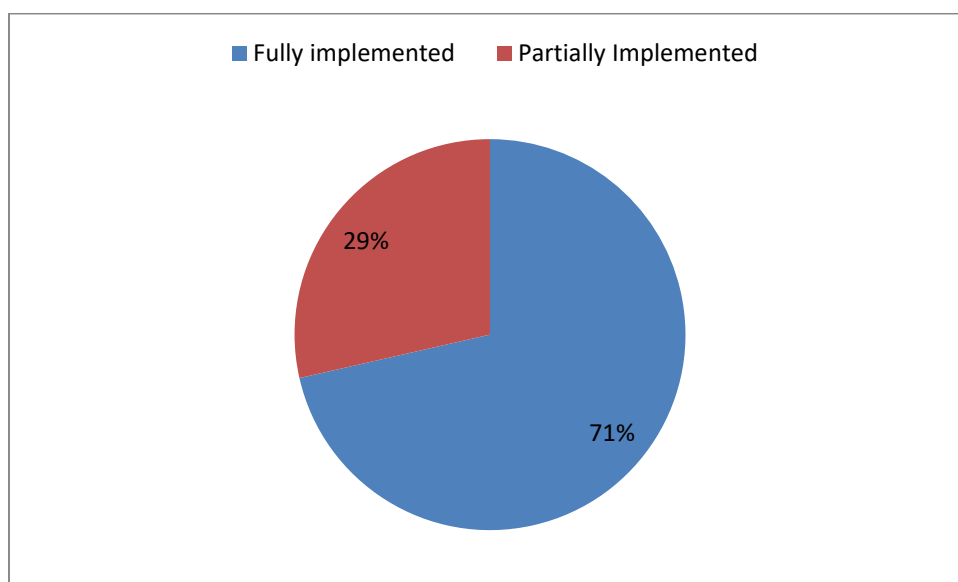
TZS 4.08 Billion was disbursed to cater for clearing and forwarding and TZS 3 Billion for storage and distribution of medicines. MoHCDGEC further revealed that TZS 16.2 billion was set aside as the budget for clearing and forwarding and the release of fund was normally done as the money was received.

The review of the Ministry's budget revealed that TZS 16.2 billion was set aside for clearing and forwarding. The audit team looked at the GFS code from the budget of MoHCDGEC to verify the existence. Review of the correspondence regarding funds disbursement from MoHCDGEC to MSD indicated that the said amount for clearing, forwarding, storage and distribution of medicine was in place.

3.4.2 Recommendation issued to Medical Stores Department

Medical store department had a total of seven (7) recommendations whereby two (2) were partially implemented and five (5) fully implemented as shown in figure 3.3.

Figure3.3: Levels of implementation by MSD



Source: Auditors' analysis from the responses given by MSD (2018)

From figure 3.4, Medical Store Department implemented 5 out of 7 recommendations (equivalent to 71 percent) and 2 were partially implemented at a satisfactory level. This shows a good trend in the implementation of the issued recommendations. **Recommendations that were Partially Implemented**

Recommendation 1: MSD needs to establish and regularly review the standard time as benchmark for measuring various operations such as order processing and use them effectively to improve performance.

The audit team noted that MSD is capable of tracking the order processing time per staff from the date and time of creation of an order to the date and time an order is delivered to a customer. Through eLMIS system there is a visibility as to when the customer order is received at MSD to the time when it is delivered to customer.

Further through the review of MSD Distribution Calendar it was revealed that MSD uses Distribution Calendar which is annually developed in collaboration with LMU to track timely submission of order to MSD and transfer of Health Commodities to MSD Zones

MSD also uses developed ILS Distribution Calendar from MoHCDGEC to track standard time used in distributing Health Commodities in Health Facilities. MSD has set measures to monitor standard processing time despite that MSD has not indicated how the standard time is used to improve performance.

Recommendation 2: MSD should review the performance of its EPICOR 9 enterprise system to see if it promotes to improvements in service delivery of MSD.

MSD revealed that Epicor 9 was reviewed by e-Government Agency (eGA) and the report was submitted to MSD in December 2016 after completion of the task allocated.

The upgrade to E10.1 has not been completed even though MSD mentioned that implementation of upgrading EPICOR 9 system to the current version would start in January 2019 after finishing all ground work which needed to start the project.

The recommendation was partially implemented since the review of Epicor 9 did not consider the technical faults of the system components including its impact to processing times and delivery. The review also needed to indicate how the improved E9 would improve the processing times/service delivery in general.

Recommendations that were fully implemented

It was noted that, there were 5 out of 7 recommendations that were fully implemented by the Medical Store Department. These recommendations are provided as follows:

Recommendation 1: MSD in collaboration with MoHCDGEC need to consider how best they can integrate the process of developing demand forecast in the CCHP Guideline in order to save time and cost for both parties LGAs and MSD by benefiting from the already established structure

Review of the pilot study report submitted by MSD as evidence showed that, MSD has conducted a study to determine the best way to integrate demand forecast into CCHP. It was also recommended that MSD could adopt a decentralization forecast. A recommendation was adopted and a pilot study was conducted in Mbeya, Moshi and Tanga. MSD Zonal Offices results were noted to be successful because the pilot results showed that decentralization forecast was possible.

Furthermore, from the interviews held with Chief Pharmacist of MoHCDGEC and the review of quantification guidelines the audit team noted that MoHCDGEC conducted a holistic supply chain review in March, 2017. The review found weaknesses in essential health commodities' quantification system and recommended a bottom-up redesigned quantification approach whereby health facilities become the major source of demand forecasts for essential health commodities.

Hence the role of demand forecasting which was among the roles in the quantification was shifted to the national quantification team which comprises of members from MoHCDGEC, Ministry of Finance and PO-RALG. Quantification involves two main activities namely, demand forecasting and supply planning.

The national quantification team established the guidelines for quantification. This guideline is intending to assist key players in applying a systematic and step-by-step approach in demand forecasting and quantifying health commodity requirements in the country and associated costs.

Recommendation 2: MSD management should ensure that the Zonal offices are involved in assessing the quality of demand forecasts reports received from the LGAs under their zone before submitting to MSD HQ

This recommendation was fully implemented because MSD formulated a team in each zone which composed of the zonal staff to supervise data collection exercise from Primary Health Facilities which has the

responsibility among others to assess the correctness and quality of data from Primary Health Facilities.

The assessment of data quality is done in collaboration with Zonal Logistic Management Unit (LMU).

This recommendation was fully implemented since the Zonal Offices are involved in assessing demand forecasting data before submitting to MSD HQ.

Recommendation 3: MSD should strengthen their demand forecast process by developing a system that would ensure a steady availability of consumption data that could be used as input in the computation of demand forecasts. Order processing, delivery and fulfillment

The Medical Stores Department (MSD) in collaboration with MoHCDGEC fully implemented this recommendation. MoHCDGEC in collaboration with MSD developed eLMIS system which captures consumption data from health facilities

It was further noted that for MSD to ensure steady availability, MSD's Epicor 9 was integrated with eLMIS to allow data visibility throughout the supply chain.

Based on the evidences submitted and interviews held with officials from MoHCDGEC, quantification guideline was developed by the national quantification team and approved by MoHCDGEC to be used in the demand forecasting process. Review of the quantification guidelines showed how consumption data can be used in the demand forecasting process as a simple and most reliable method in demand forecasting.

Recommendation 4: MSD has to consider establishing the performance criteria, assess the level of productivity per individual person in the whole process of processing and delivery of orders to its clients

This recommendation has been fully implemented since MSD rolled out a Barcode system which indicates the name and duration an officer uses to process an order through E9 system.

The Human Resources Department of MSD rolled out a Biometric Time Management system and to-do-list system in order to monitor individual staff performance at all levels. The roll out was completed in August, 2017.

It was further revealed that MSD uses individual Performance Appraisal System known as DRIVE to capture objectives cascaded from high level corporate objectives to Directors, Managers and later on to employees measured semi-annually and annually.

The audit team reviewed scorecards for each Individual employee with measures which later are translated to their DRIVE forms. Individual efforts

are measured semi-annually in December and annually in June of every year whose overall results are measured through Sales / Number of staff.

Recommendation 5: MSD should consider developing a manual which will guide in details the issue of monitoring and evaluation including how the information can be used to improve performance

It was noted that in 2015 Monitoring and Evaluation Manual was developed and approved by MSD Executive Management Team and shared with targeted users.

3.5 Specific Conclusion

Based on the analysis of the implementation status of the previously issued recommendations, it is concluded that the Ministry of Health, Community Development, Gender, Elderly and Children and Medical Store Department have made satisfactory progress towards the implementation of the issued recommendations.

However, for the three (3) issued audit recommendations that were partially implemented, management should add more efforts to ensure that they are fully implemented.

3.6 Specific Recommendations

3.6.1 Recommendations to MoHCDGEC

The Ministry of Health, Community Development, Gender, Elderly and Children should ensure that report of the verification of debt is submitted and revise the strategy for repayment of debt to MSD.

3.6.2 Recommendations to Medical Stores Department (MSD)

Medical Stores Department should ensure the following:

- 1) Review the standard time established as benchmark and show how it can be used to improve performance;
- 2) Review the performance of its EPICOR 9 enterprise system and consider the technical faults of the system to see if it promotes improvements in its service delivery; and
- 3) The upgrade to E10.1 should be completed as planned.

CHAPTER FOUR

PERFORMANCE AUDIT ON THE ENFORCEMENT OF ENVIRONMENTAL CONTROLS IN MINING SECTOR

4.1 Background to the Audit

The Performance Audit Report on the Management of Enforcement of Environmental Controls in Mining Sector was tabled to the Parliament of the United Republic of Tanzania in April, 2015. The main audited entities were the Vice President's Office - Department of Environment (VPO-DoE) and the National Environmental Management Council (NEMC).

4.2 The Objective of the Audit

This audit focused on the enforcement of environmental control systems done by VPO-DoE and NEMC and with the view of mitigating environmental impacts caused by mining operations in the country. Therefore the overall objective of the audit was to assess the extent to which the National Environmental Management Council (NEMC) enforces the implementation of environmental control systems in the mining sector.

Specifically, the audit aimed at determining whether (a) VPO-DoE and NEMC have adequate risk based environmental enforcement plans for mitigating environmental impacts caused by mining activities; (b) the extent to which NEMC inspects, reports, sanctions or conducts follow up on the implementation of environment control systems in the areas with mining activities; (c) whether VPO-DoE and NEMC adequately coordinate with other sector ministries, agencies, departments and other government institutions in environmental conservation issues; and to assess the extent to which VPO-DoE monitors the performance of NEMC and also how NEMC monitors its performance of enforcement to ensure compliance with environmental conditions on mining.

4.3 Main Audit Findings

The following were the major findings of the audit:

1) Inadequate planning for environmental enforcement

Available plans at NEMC did not address key risk factors while planning for environmental enforcement. There were no clear guidelines, well defined criteria or indicators for enforcement. Thus planning tools did not address crucial risk factors during the environmental enforcement. Due to absence of risk assessment, enforcement activities were carried out based on reported incidents or complaints brought about to NEMC or VPO-DoE. The

complaints indicated that environmental enforcement made by NEMC was not adequately done in mining facilities or operations;

In conducting inspections in the mining facilities/ operations, risk based approach was not applied in identifying mining facilities with higher environmental risk;

NEMC did not establish compliance information of the mining facilities (e.g. major, moderate, minor and non-compliance). As a result, it was difficult to establish whether all high risk mines were among the facilities covered in their inspections;

Therefore, it was difficult for NEMC to analyze and demonstrate the effectiveness of its inspections, or report accurately on how well operators complied with conditions;

NEMC Zone Offices did not conduct inspections to mining facilities in their zones especially large scale mines. This responsibility was left to NEMC-HQ even-though the zone offices were established to perform the duties of NEMC in their areas of jurisdiction; and

There were no clearly established criteria for determining the severity of non-compliance. This was left to the judgment of individual inspectors which possessed a risk of inconsistency on how non-compliances were addressed as confirmed during the interview held with miners.

2) Insufficient application of available sanction

It was noted that NEMC did not apply a full range of available sanctions as per the law. NEMC in most cases issued emergency protection orders and fines resulting from compounding of environmental offences. Due to existence of irregularities in making such orders, NEMC uplifted the orders following appeals and objections from the mining facilities. This means that these sanctions were not effective and that likelihood of prolonged pollution and non-compliance was prevalent on part of such facilities.

3) Inadequate follow-ups of enforcement actions

NEMC did not make regular follow-ups of its sanctions and therefore failed to analyze the level of compliance. NEMC's monitoring system on whether mining operators had taken action to address identified non-compliance was weak.

4) Inadequate reporting

LGAs did not report to NEMC on environmental issues associated with mining on a regular basis. As a result, NEMC did not get updates of the status of environment on mining sites from the Local Government Environmental Officers. It was noted that LGAs were not involved in monitoring and reporting of environmental issues in mining sites. Non-submission of these reports made it difficult for NEMC to scrutinize such reports and provide profound judgment on the state of environment in the mining sector.

5) Lack of effective coordination in environmental enforcement

The audit noted that coordination within and between NEMC and other government institutions was inadequate. This was due to lack of sharing of statistical data and environmental findings; undefined reporting mechanism between them, limited sharing of environmental enforcement results, unbalanced and arbitrary enforcement activities among them.

6. Inadequate monitoring and evaluation of enforcement activities

Monitoring and evaluations were not being conducted in order to assess the performance of enforcement activities in the mining facilities. There was neither internal monitoring and evaluation nor external evaluation of NEMC's performance for the whole period under audit. It was further noted that failure to conduct monitoring and evaluation of NEMC's performance on enforcement of environmental control systems denied NEMC the opportunity to measure the level of performance over a particular period of time as per NEMC's set objectives.

4.4 Overall Audit Conclusion

The National Environmental Management Council did not adequately fulfill its objectives in the enforcement of the implementation of the environmental control systems as mandated by the Environmental Management Act, 2004. Generally, NEMC failed to undertake enforcement systems in mining facilities despite the fact that its strategic plan required it to conduct inspections in all mining activities. Strategies for enforcement of the implementation of environmental control systems were not clearly set out.

Planning tools did not indicate clear strategies for environmental enforcement in mines operations. The availed Strategic Plans and Annual Work Plans did not address key risk factors which were associated with mining sector as well as those factors that would require immediate intervention by NEMC.

Non-availability of these enforcement parameters for guiding the enforcement of the implementation of environmental control systems on

the medium and small scale mines made it difficult for NEMC to assess its level of performance.

4.5 Main Results of the Follow-up on the Implementation of Recommendations

The National Audit Office carried out a follow-up on the implementation of the issued recommendations to the VPO-DoE and NEMC. The follow up aimed at examining if there was any improvement in managing the enforcement of environmental controls in the mining sector and see if there was a need to issue new recommendations.

Therefore, this section presents the implementation status of the issued recommendations. The implementation status has been categorized into three categories namely, recommendations that were fully implemented, partially implemented and those that were not implemented at all by VPO-DoE and NEMC.

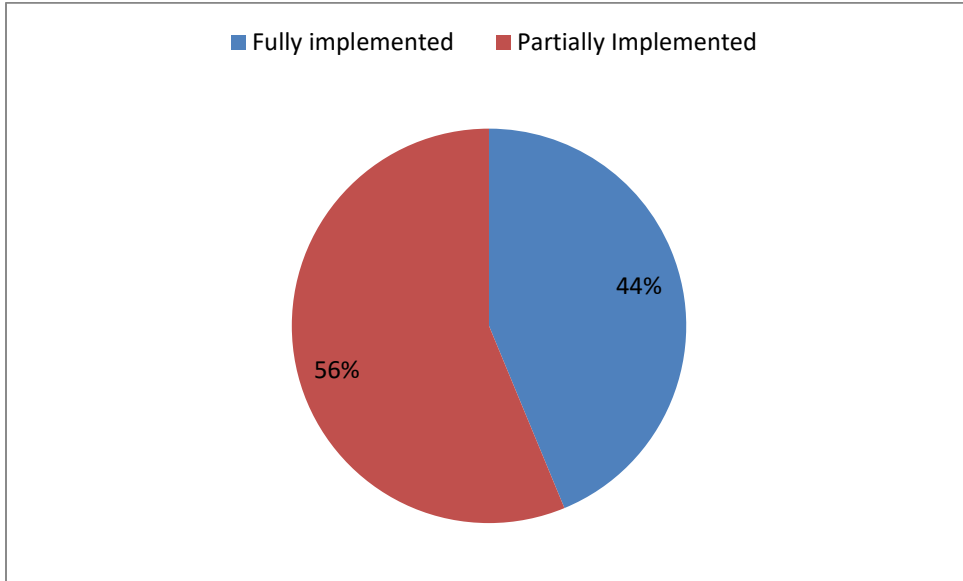
Full implementation was rated when an audited entity has implemented a recommendation to the fullest as required by the audit report, whereas partial implementation was rated when an audited entity had to some extent implemented a recommendation as required by the audit report. When an audited entity did not implement a recommendation as required by the audit report, it was rated not-implemented

4.5.1 Overall Findings of the Follow-up on the Implementation of Audit Recommendations

In general, there were 12 recommendations that were issued to the National Environmental Management Council and 4 recommendations issued to Vice President's Office -Department of Environment (VPO-DoE). Based on the evidences submitted and interviews conducted with the officials from NEMC and VPO respectively the audit team noted that, for NEMC 7 out of 12 recommendations (equivalent to 58 per cent) were fully implemented, 5 out of 12 (equivalent to 42 per cent) were partially implemented.

As seen in figure 4.1, for VPO-DoE all 4 recommendations were partially implemented.

Figure 4.1 Level of Implementation of Recommendations by NEMC and VPO



Source: Auditors' Analysis of response given by NEMC and VPO-DoE

As seen in the Figure 4.1, a large portion of issued recommendations were partially implemented at the rate of 56 percent while the remaining recommendations of about 44 percent were fully implemented.

In addition to that the audit team described specific number of issued recommendations of each audited entity and description of their levels of implementation as shown in the table 4.1.

Table 4.1: Implementation of the recommendations by both NEMC and VPO-DoE

Entity	Total Number of Issued Recommendations	Fully Implemented Recommendation		Partially Implemented Recommendation		Not Implemented	
		Number	%	Number	%	Number	%
NEMC	12	7	58	5	42	0	
VPO	4	0		4	100	0	
Grand Total	16	7	44	9	56		

Source: Auditors' Analysis from responses given by NEMC and VPO (2018)

Table 4.1 shows that NEMC fully implemented 7 out of 12 issued recommendations which is equivalent to 58 percent. However, all 4 recommendations issued to VPO were partially implemented.

As shown in Table 4.2, further analysis of the issued recommendations per each cluster or category was made to provide the status of the level of implementation of the audit recommendations.

Table 4.2: Number of Recommendations Partially Implemented Per Category

Entity	Category of the Recommendation	Total Number of Issued Recommendation	Number of Recommendation Partially Implemented		Number of Recommendation Fully Implemented	
			Number	%	Number	%
NEMC	Planning	3	1	33	2	67
	Enforcement and compliance	6	2	33	4	67
	Coordination	1	0	-	1	100
	Monitoring	2	2	100	0	-
VPO	Coordination	1	1	100	0	-
	Reporting	1	1	100	0	-
	Monitoring	2	2	100	0	-
	Grand Total	16	9	56	7	44

Source: Auditors' Analysis from responses given by NEMC and VPO-DoE (2018)

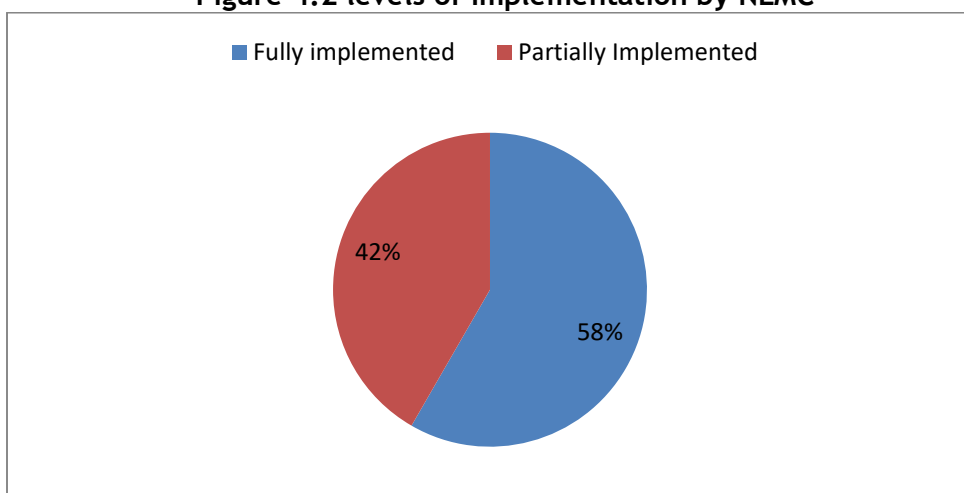
Table 4.2 shows that recommendation related to enforcement and compliance were more partially implemented compared to recommendations related with coordination, reporting and planning.

4.5.2 Overall Implementation of the Issued Recommendations to NEMC

In total, 12 recommendations were given to NEMC. Seven (7) out of 12 recommendations (equivalent to 58 percent) were fully implemented while 5 recommendations (equivalent to 42 percent) were partially implemented.

Figure 4.2 represents levels of implementation as explained above

Figure 4.2 levels of implementation by NEMC



Source: Auditors' analysis of response given by NEMC(2018)

As indicated in Figure 4.2, the National Environmental Management Council (NEMC) fully implemented 7 out of 12 recommendations at satisfactory level and the remaining 5 recommendations were partially implemented.

(i) Recommendations that were Partially Implemented

The audit team noted that 5 out of 12 recommendations were partially implemented. These 5 recommendations were partially implemented at a satisfactory level.

These recommendations were:

Recommendation 1: NEMC should undertake proper monitoring/inspection to establish performance profiles of those facilities whose enforcement is vital with the view of establishing the compliance level of each of the mining facilities and use such information as the basis for planning the enforcement;

NEMC partially implemented this recommendation and the level of implementation was found to be satisfactory.

Review of the evidence submitted by NEMC and the interviews conducted with NEMC officials, showed that, a comprehensive database (NEMC's Environmental Information System) was in place and installed at e-Government Server. Currently, some of the staff were being trained to handle the database and NEMC continued to update the database. Also, inspection forms and Compliance Agreement Forms were used during the inspections to document data of specific facility and making decisions on enforcement actions as stipulated in Cap 191 of EMA and its subsequent Regulations.

Further, the evidence revealed that, inspections of large mines were conducted extensively and baseline information for those mines (e.g. North Mara, Geita Gold Mine, Bulyanhulu Gold mine, Buzwagi Gold mine, Shanta, Sunshine) was documented. However, the Council had not yet started using the developed comprehensive database in enforcing the environmental compliance in the country.

Recommendation 2: Ensure each directorate performs its responsibilities accordingly and in case either directorate discharges duties of the other, there should be clear mechanism of reporting to the relevant directorates responsible for the tasks performed;

It was found that, NEMC partially implemented this recommendation. The implementation level was not satisfactory simply because there was no sufficiently established level on how all the directorates within NEMC perform their duties in accordance with its approved work-plan and budget.

Review of the submitted implementation status submitted to auditors and interviews held with officials from NEMC revealed that, in some areas of interest such as (inspections, EIA reviews, and research) all Directorates were working together in technical issues for effective performance of the Council. However, the Council had not shown the mechanisms that ensured each Directorate which performed the duties of the other report to the relevant Directorates responsible for the performed task.

Recommendation 3: Zonal offices have to be empowered in terms of staff; fund and equipment to enhance them to perform their duties in zones by doing so, NEMC should also consider retaining to the zones part of the fees and charges collected from each respective zone in order to cater for enforcement activities in their respective zone

The audit team noted that, NEMC partially implemented this recommendation.

Interviews conducted with NEMC officials showed that, the process for recruitment of additional staff was awaiting approval from the President's Office - Public Service Management. This was evidenced by a letter with Reference No. NEMC/C/15/Vol. 8/72 of 22nd December, 2015 sent to the President's Office - Public Service Management.

Again, the Council transferred some staff from Headquarters to all six Zones as shown in the staff relocation letters submitted by the Council. One example of reviewed staff relocation letter by the auditors was a letter with Reference No. NEMC/C/PF/261/42 of 13th August, 2018 which was issued to one of the staff as part of implementation of given recommendation. Also, the Council intensified implementation of Fees and Charges Regulations that increased and improved Council's revenue. Further, the Council Zone Offices prepared their annual budgets which were included in the overall NEMC budget and were fully funded according to their work-plans.

However, although the recommendation was a long term, The Council had not shown the way zonal officers would be empowered in terms of funding either by retaining part of the fees and charges or any way to cater for activities performed in their respective zones.

Recommendation 4:Monitoring and evaluation indicators for enforcement of environmental control systems in the mining sector should be established and approved and periodic monitoring and evaluation of enforcement activities is done accordingly and the results are used as the basis for further improvements

It was noted that, NEMC partially implemented this recommendation. Evidence submitted and the interviews held with NEMC's officials showed that NEMC has already developed performance indicators to analyse enforcement activities and the available resources as seen in Table 4.3:

Table 4.3: Types of indicators

Type of Indicators	Indicators Developed
Input Indicators	(a) Number of officers to conduct compliance monitoring, inspection and enforcement, (b) Number of facilities to be monitored and inspected, (c) Investments / budget for conducting compliance monitoring, inspection and enforcement, (d) Number of days planned for compliance monitoring, inspection and enforcement, and (e) Number of public complaints received
Output indicators	(a) Number of staff conducted compliance monitoring and inspections; (b) Number of facilities inspected and monitored; (c) Number of conducted compliance monitoring and inspection; (d) Number of enforcement actions; (d) Amount of penalties paid; (e) Number of days realized for compliance monitoring, inspection and enforcement; and (f) Number of public complaints attended.
Intermediate outcomes	(a) (a)Compliance rates and Risk rates
Final outcomes	(a) (a)Ambient load of pollutants in air and water; (b) (b)Quality of environment in respect to environmental standards; and (c) (c) Environmental effects in the State of the Environment Report

Source: Auditors' analysis, 2018

In addition, the audit noted that, the Board approved the developed performance indicators on 28th June, 2017.

However, although logistics such as consultations to relevant stakeholder were made, these established indicators were not in operation.

Recommendation 5: All reports resulting from environmental enforcement activities from zonal offices, LGAs or other sector ministries as received are properly scrutinized to determine any deficiency and provide feedback to the concerned officials for corrective actions and further improvements

The audit team noted that, NEMC partially implemented this recommendation. Review of the approved Modes of Engagements submitted by the Council and interviews conducted with NEMC officials pointed out that mechanisms for receiving reports from NEMC Zonal Offices were communicated during the official visits and meetings. It was further pointed out that, NEMC initiated collaboration with LGAs in environmental enforcement activities and other environmental management issues.

The Board approved the Modes of Engagement with LGAs and NEMC has already started this collaboration with 20 pilot LGAs namely Njombe, Chunya, Mpanda, Sumbawanga, Mufindi, Musoma Municipal, Bariadi, Kahama, Geita, Moshi, Simanjiro, Ngorongoro, Korogwe, Mkuranga, Ifakara, Singida Municipal, Tabora Municipal, Bukoba Municipal, Tunduru, and Kigoma Ujiji). Other LGAs will be included as the performance from the first 20 LGAs improves.

However, there was no evidence that the Council analysed the reports received from zonal offices and other key stakeholders and the methods for giving feedback to the concerned officials.

(ii) Recommendations that were fully implemented

It was noted that, 7 out of 12 recommendations were fully implemented. The details of the recommendations that were fully implemented are provided below:

Recommendation 1: NEMC should ensure that all zonal offices are developing enforcement plans based on risks posed by each mining facility in their jurisdiction and use such information to guide realistic setting of the targets and appropriate allocation of the resources for enforcement activities

Review of the implementation status submitted to the auditors indicated that NEMC developed the following:

- a) Criteria that would assist zones to prepare enforcement plans based on risk posed by each mines to the environment and public health;
- b) History of non-compliance;
- c) Location (e.g. proximity to sensitive areas, water bodies, residential, hospitals etc.).

The team had an opportunity to verify the enforcement plans based on the associated risks posed by specific factors in respective areas such as availability of water bodies around, proximity to human settlements and history of the facility to noncompliance in their previous operations.

The review of the implementation status submitted to the auditors further pointed-out that, the Council Board approved the developed criteria for risk-based inspections on 28 June, 2017.

Recommendation 2: NEMC should establish performance standards or parameters for enforcement Activities including carrying out risk assessment, developing enforcement manuals, guidelines, and timeframes for each enforcement activity

NEMC satisfactorily implemented this recommendation, the audit team reviewed submitted evidence and interviewed officials from the Council and noted that, NEMC was determining compliance level in accordance with permissible limit values given in the existing environmental standards on water quality, air quality and soil quality. The submitted evidence and interviews held with officials from NEMC further revealed that, NEMC had already developed tools to be used in risk assessment and were operational. These tools are:

- (i) Environmental Inspection and Investigation Manual; and
- (ii) Guidelines on the Determination of Penalties to be imposed against Offenses related to Environmental Impact Assessment (EIA) and Environmental Pollution and Protection Violations.

Recommendation 3: NEMC should institute systems to ensure consistent enforcement of environmental control systems by carrying out routine, timely and prompt enforcement activities

NEMC has fully and satisfactorily implemented this recommendation by developing tools for ensuring consistent enforcement of environmental compliance in the country. Evidence submitted and interviews held with NEMC officials revealed that, the developed tools were operational. The developed tools include ;

- (i) Inspection Forms;
- (ii) Compliance Agreement Forms;
- (iii) Environmental Inspection and Investigation Manual;
- (iv) Guidelines on the Determination of Penalties to be imposed against;
- (v) Offenses related to Environmental Impact Assessment (EIA); and
- (vi) Sanctions guideline on Environmental Pollution and Protection Violations.

Also, the audit team noted that, inspections and compliance monitoring were among necessary activities in NEMC's annual work-plans and were allocated needed budget to cater for the planned activities.

Recommendation 4: Carry out an analysis between enforcement activities and the available resources and take corrective actions to enhance efficient use of the available resources

NEMC fully implemented this recommendation by developing performance indicators that would assist them to measure the efficiency in utilizing the available resources both financial and non-financial.

Through the evidence that were submitted to the auditors and interviews conducted with officials from NEMC, it was noted that four types of indicators namely input, output, intermediate outcome and final outcome indicators were developed.

Table 4.4 below describes the four types of indicators and specific performance indicators developed by NEMC

Table 4.4: Types of indicators

Type of Indicators	Indicators Developed
Input Indicators	<ul style="list-style-type: none"> (a) Number of officers to conduct compliance monitoring, inspection and enforcement. (b) Number of facilities to be monitored and inspected. (c) Investments / budget for conducting compliance monitoring, inspection and enforcement. (d) Number of days planned for compliance monitoring, inspection and enforcement. (e) Number of public complaints received.
Output indicators	<ul style="list-style-type: none"> (a) Number of staff conducted compliance monitoring and inspections. (b) Number of facilities inspected and monitored (c) Number of conducted compliance monitoring and inspection. (d) Number of enforcement actions. (e) Amount of penalties paid. (f) Number of days realized for compliance monitoring, inspection and enforcement. (g) Number of public complaints attended.
Intermediate outcomes	<ul style="list-style-type: none"> (a) Compliance rates. (b) Risk rates
Final outcomes	<ul style="list-style-type: none"> (a) Ambient load of pollutants in air and water versus permissible limit values; (b) Quality of environment in respect to environmental standards (c) Environmental effects in the State of the Environment Report

Source: Information from Responses given by NEMC

As shown in Table 4.4 above, NEMC developed performance indicators in four categories which were input indicators, output indicators, intermediate outcomes and final outcomes. It was further pointed out that, NEMC Board approved the developed performance indicators on 28 June, 2017.

However, it was not clear to what extent the developed performance indicators were being used to carry-out analysis to compare enforcement activities and the available resources. This was because there were no report prepared by NEMC on the extent to which the performance indicators were effective.

Recommendation 5: Ensure the applications of sanctions are of a deterrence nature other than encouraging nature

NEMC fully implemented this recommendation by developing a sanctioning guidelines which was approved by the Board on 28 June, 2017.

Review of the evidence submitted to the auditors by the Council showed that, sanctions imposed to violators both administrative and judicial had always been in accordance with Cap 191 of EMA and its subsequent Regulations all of them are deterrence measures.

For compounding of offence, NEMC was using criteria for compounding and reflected in the developed “*Guidelines on the Determination of Penalties to be imposed against Offenses Related to Environmental Impact Assessment (EIA) and Environmental Pollution and Protection Violations*” which has been approved by the Board of NEMC on 28 June, 2017. Those criteria are:

- a. Level of deviation from environmental requirements;
- b. Level of potential harm to the environment and public health;
- c. Compliance history;
- d. Level of cooperation;
- e. Ability to pay.

Recommendation 6: NEMC should ensure that information from zonal offices, LGAs and MEM is correctly reported to relevant channel of communication to enable keeping of records that is effective

NEMC fully implemented this recommendation because the Council has already started to receive reports from zonal offices, LGAs and Ministry of Mining.

Review of the evidence submitted by the Council and interviews held with NEMC officials pointed-out that, reports from Zonal Offices were submitted to NEMC-HQ and reflected in their work plan and annual budget. Also, LGAs were reporting to their respective Zonal Offices that subsequently reported to NEMC HQ.

Furthermore, the reviews revealed that NEMC and Ministry of Mining shared relevant information and each institution reported the same to its respective authority. Also, during the inspection and compliance monitoring as well as site verifications NEMC, MEM and LGAs were fully collaborating.

Recommendation 7: Ensure that DEIA establish the system which will be updating the DECE with the information about mining facilities that have undertaken EIA or EA or mining facilities without EIA certificate

NEMC fully implemented this recommendation by establishing environmental database to be accessible by each Directorate for the intention of sharing information that are needed by one another.

Review of the implementation status submitted to the auditors pointed out that, database for EIA was in place and was used by DECE during compliance monitoring, inspection and enforcement actions for non-compliance. This database was found to be continuously updated. However, it was not clear as to how frequent the database was being updated.

B. Implementation of Recommendations Issued to Vice President's Office - Department of Environment

Generally there were four recommendations that were issued to VPO and all of them were partially implemented. Below is the implementation status of those recommendations:

Recommendation 1: That Environmental Enforcement activities done by NEMC, Sector Ministries and LGAs are properly coordinated, harmonized and all stakeholders establish a firm reporting line of environmental matters;

VPO-DoE partially implemented this recommendation by ensuring that letter with Reference No. BA.78/130/01 dated 28th November, 2017 were submitted to all sector ministries, Regional Secretariats and Local Government Authorities and some implementation reports were received by the Directorate of Environment from the entities.

However, VPO-DoE did not show what category of National Environmental Strategy implementation report would be communicated to the stakeholders and the mechanism of reporting to them.

During verification visits, the audit team confirmed presence of directives to emphasize on environmental issues. However the reporting line remained at the LGA level and there was no specific reporting channel to provide feedbacks to VPO-Directorate of Environment on issues related to environment unless there was a specific request for a specific information required by VPO-DoE.

Recommendation 2: VPO-DoE should ensure that general environmental status report on mining sector in the country is prepared annually and an annual compilation of reports on environmental enforcement roles in the mining sector as carried out by other government departments are made available and used for assessing enforcement of performance annually and be the basis for further improvements

VPO-DoE partially implemented this recommendation by preparing a strategic plan for the compliance to the Environmental policy, law, and regulations in the exploration of oil and gas.

However, although implementation plans and actions taken were satisfactory, VPO-DoE did not indicate as to when the third National Environmental Status Report would be completed. The last report was issued in 2017.

During verification visits to Vice President's Office the audit team did not find any evidence showing effort to the available National Environmental Report including that category focusing on the mining sector.

Recommendation 3: VPO-DoE should ensure that it monitors NEMC's performance on enforcement of the implementation environmental control systems in the mining sector by regularly reviewing its performance as well as improving the NEMC's capacity in meeting its overall enforcement objectives

Review of the implementation status submitted to the auditors, shows that, VPO-DoE partially implemented this recommendation. The review of the implementation status indicated that VPO-DoE in collaboration with NEMC had prepared a guideline for evaluating environmental impacts in oil and gas sector which would be used in monitoring the petroleum sector. The audit team had an opportunity to verify the guideline.

However, when reviewing the guideline the audit team noted that, VPO-DoE did not identify in detail the key performance indicators for measuring the performance of NEMC in oil and gas sector; and the action plan for capacity building did not identify to the extent to which the identified areas needed capacity building.

Recommendation 4: VPO-DoE should ensure that it sets up clear enforcement guideline that will be consistent with all environmental enforcement and monitoring organs

Review of the implementation status submitted to the auditors and interviews held with VPO-DoE officials revealed that VPO-DoE partially implemented this recommendation by submitting a reviewed draft guideline to the Secretary of the Cabinet for approval since September, 2016. The draft guideline was still awaiting the approval of the Cabinet.

4.6 Specific conclusion

Based on the analysis of the implementation status of the previously issued recommendations, it is concluded that NEMC and VPO-DoE has made satisfactory progress towards the implementation of the issued recommendations. However, for five recommendations that were not implemented to the fullest by NEMC and those four recommendations by VPO-DoE, management should add more efforts to ensure that all these are fully implemented.

4.7 Specific Recommendations

NEMC and VPO-DoE should ensure that recommendations that were partially implemented are taken seriously and are fully implemented.

4.7.1 Recommendations to the National Environment Management Council

NEMC should ensure that:

1. Comprehensive database is used in enforcing the environmental compliance in the country;
2. There are clear mechanism of reporting to the relevant directorates responsible for the performed tasks.
3. Zone officers are empowered in term of funding either by retaining part of the fees and charges or any way to cater for the activities in their respective zone;
4. Logistics such as consultation to relevant stakeholders are in operation; and
5. Conduct analysis upon the reports received from zonal offices and other key stakeholders and provide feedback to the concerned officials.

4.7.2 Recommendations to the Vice President's-Directorate of Environment (VPO-DoE)

VPO-DoE should ensure that;

1. National Environmental Strategy implementation report is timely communicated to the stakeholders and the mechanism of reporting back is defined;
2. The third National Environmental Status Report is prepared, completed and made available to the public;
3. Key performance indicators for measuring the performance of NEMC in oil and gas sector are developed and operationalized; and
4. Areas need capacity building are identified and incorporated in the action plan.

CHAPTER FIVE

PERFORMANCE AUDIT ON THE MAINTANANCE OF GOVERNMENT BUILDINGS

5.1 Background to the Audit

The Performance Audit on the Maintenance of Government Buildings was tabled to the Parliament in April, 2015 and the main audited entities were the Ministry of Works, Transport and Communication and Tanzania Building Agency (TBA) as the main actors with the overall responsibility of managing government buildings in the country.

5.2 Audit Scope

The overall objective of the audit was to examine the systems in place for an effective management of government buildings maintenance programs, the implementation of buildings maintenance programs and the oversight roles by the Ministry of Works, Transport and Communication.

5.3 Main Audit Findings

1) Weaknesses in the execution of maintenance works

It was revealed that the execution of maintenance works at TBA has not been adequately implemented in a way that guarantee effective use of resources and the achievement of the desired results in maintenance of government buildings.

This was mainly attributed by the lack of standardized procedures to carry out maintenance works; whereby some of the key steps in maintenance of buildings were skipped like the review of standards and development of cyclical plans for maintenance.

This was also a result of non-use of the maintenance manual whereby all six regions visited by the audit team were not using the maintenance manual. It was also revealed that the maintenance approach at TBA was mainly reactive with high levels of unplanned maintenances whereby 81% of all maintenance projects carried out in the six visited regions were unplanned.

2) Inadequate Planning for the maintenance of Government Buildings

The audit revealed that there was inadequate overall planning for the maintenance of government buildings that have made the government buildings to continue remaining in dilapidated state.

There was a general lack of conditional surveys for government buildings whereby all six regions visited by the audit team have never conducted condition surveys in a 3 years period of audit. All of the buildings were maintained within the stated period have not undergone conditional survey previously.

3) Weak Monitoring and Evaluation Systems for Maintenance of Buildings

It was noted by NAOT that there were weaknesses in monitoring and evaluation of maintenance activities. These weaknesses were due to lack of key components of an appropriate monitoring system that was supposed to guarantee the efficient and effective performance in maintaining government buildings both at Ministry of Works and TBA itself. Main reasons for this was attributed to issues such as; lack of M&E framework, lack of performance evaluation system, lack of performance measures on maintenance of buildings, lack of accountability mechanism and delayed performance reporting.

5.4 Overall Audit Conclusion

The general conclusion of this audit was that, maintenance activities as conducted by TBA for government buildings have not been adequate to address the problem of dilapidated government buildings in Tanzania.

Maintenance activities for government buildings were not adequately conducted, planned, and coordinated. Equally, there were limited clear targets set and strategies for maintenance activities were not well defined. As a result, TBA's mission of providing quality and environmentally friendly accommodation to the government and public servants was at risk.

5.5 Results of the Follow-up Audit

This part presents implementation status of issued recommendations in three categories namely, *recommendations that were fully implemented, partially implemented and those which were not implemented* by the Ministry Works, Transport and Communication and Tanzania Building Agency.

5.5.1 Results of Follow up on the Implementation of the Issued Recommendations to the Ministry of Works, Transport and Communication and Tanzania Building Agency(TBA)

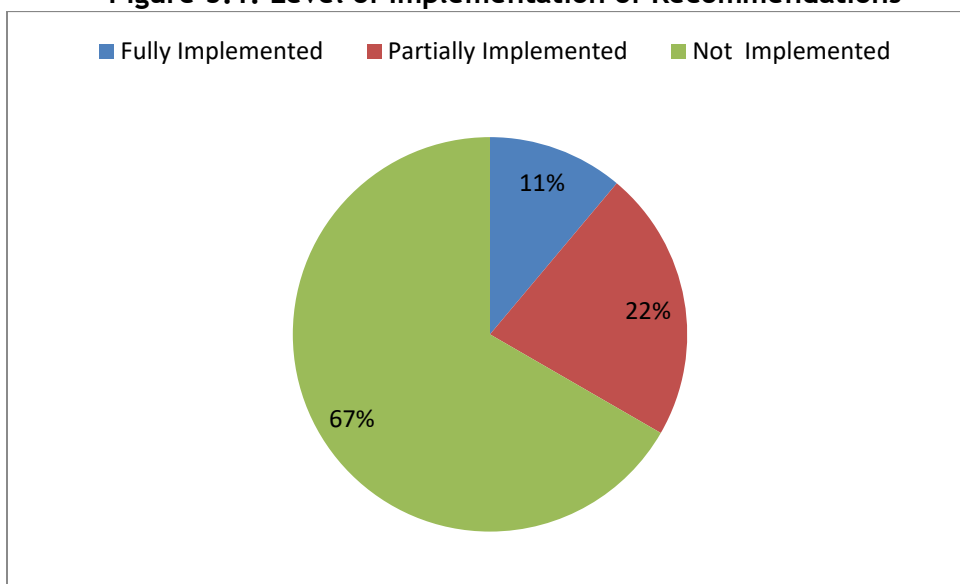
Overall Implementation of Issued Performance Audit Recommendations

A total of 9 recommendations were issued in this particular audit. 2 recommendations were directed to the Ministry of Works, Transport and Communication whereas 7 recommendations were directed to Tanzania Building Agency (TBA)

The overall follow-up results on the implementation of issued audit recommendations indicated that 1 out of 9 (equivalent to 11 percent) recommendations was fully implemented, while 2 out of 9 (equivalent to 22 percent) recommendations were partially implemented, 6 (equivalent to 67 percent) recommendations were not implemented.

The figure 5.1 shows the level of implementation of issued recommendations to Ministry of Works, Transport and Communication and TBA

Figure 5.1: Level of Implementation of Recommendations



Source: Auditors' analysis of the responses given by Ministry of Works, Transport and Communication and TBA

Figure 5.1 above portrays that about 89 percent of all issued recommendations were either not or partially implemented by both audited entities and only one percent of all issued recommendations was fully implemented.

In addition to that, the audit team described specific numbers of issued recommendations of each audited entity and description of their levels of implementation as shown in the table 5.1

Table 5.1 Status of Implementation from Both MoW and TBA

Audited Entity	Given Recommendations	Fully implemented		Partially implemented		Not Implemented	
		Number	%	Number	%	Number	%
MoW	2	0		0		2	100
TBA	7	1	14	2	29	4	57
Total	9	1	11	2	22	6	67

Source: Auditors' analysis from information given by MoW and TBA

As shown in Table 5.2, further analysis of the issued recommendations per each cluster or category was made in order to provide the status of the level of implementation of the audit recommendations

Table 5.2: Category of Recommendations

Audited Entity	Category of the Recommendation	Number of Recommendations			
		Total Issued	Partially Implemented	Fully Implemented	Not implemented
MoW	Development	1	0	0	1
	Monitoring and evaluation	1	0	0	1
TBA	Development	3	1	0	2
	Budgeting	2	0	0	2
	Monitoring and supervision	2	1	1	0

Source: Auditors' analysis of issued responses

As seen from Table 5.2, three recommendations which fall under development, one which fall under monitoring and evaluation were not implemented.

5.5.2 Level of Implementation of Issued Recommendation by the Ministry of Works, Transport and Communication

Generally there were two recommendations which were issued to the Ministry of Works, Transport and Communication; it was found that all the two recommendation were not implemented.

(i) **Recommendation that were not implemented**

Recommendation 1: The Ministry of Works, Transport and Communication should develop and strengthen the policy framework on maintenance of government buildings that will focus on making a sustainable management of government real estate sector

The Ministry through TBA prepared a Draft Maintenance Manual. The Ministry also prepared a Draft Real Estate Act of 2017 which was circulated to stakeholders for inputs. The draft Act is yet to be enacted.

It was noted by the audit team that the Ministry had no specific indication on how the draft Maintenance Manual and Draft Real Estate Act would contribute to sustainable government real estate sector. The Manual and Act were neither finalized nor provided to the audit team.

Therefore, this particular recommendation was not implemented due to the complete failure of achieving what was intended to be achieved.

Recommendation 2

The Ministry of Works, Transport and Communication should strengthen its M&E system to be able to measure the progress towards addressing the strategies and attaining the objectives and targets on maintenance of government buildings as indicated in its strategic plans.

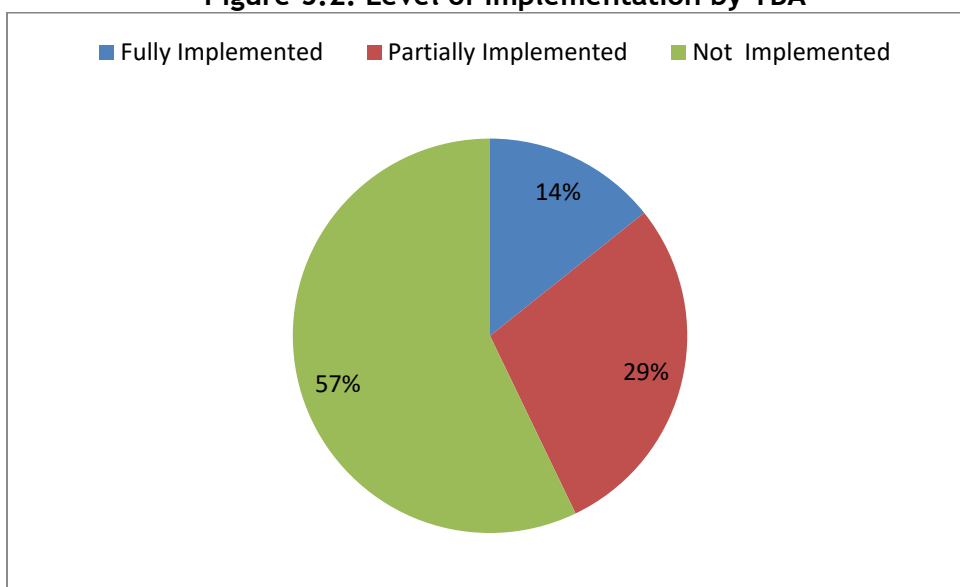
TBA has established M&E section and it has five staff. Currently, the newly established M&E section is in the process of preparing a checklist for implementing monitoring and evaluation activities on government maintenance of buildings.

The audit team deems this recommendation as not implemented simply because the recommendation required the Ministry to strengthen its M&E system. However, the initiatives have been implemented by TBA an agency which was supposed to be monitored by the Ministry of Works, Transport and Communication. Also, there was no further description showing how the initiative of having M&E within TBA would improve M&E at the Ministry where the weaknesses regarding its ability to monitor activities regarding M&E were observed.

5.5.3 Level of Implementation of Issued Recommendations by Tanzania Building Agency

A total of 7 recommendations were issued to Tanzania Building Agency out of them only 1 recommendation (equivalent to 14 percent) was fully implemented, 2 recommendations (equivalent to 29 percent) were partially implemented and 4 recommendations (equivalent to 57 percent) of the issued recommendations were not implemented. Figure 5.2 below provides a diagrammatic representation of the implementation status.

Figure 5.2: Level of Implementation by TBA



Source: Auditors' analysis of given responses from TBA

As indicated in Figure 5.2, TBA fully implemented 1 out of 7 recommendations satisfactorily, 2 out of 7 were partially implemented and 4 were not implemented.

(i) Recommendations that were not implemented by TBA

Recommendation 1: TBA should review its budgetary process in maintenance activities and devise a mechanism that would ensure a sustainable funding for maintenance of government buildings

There is a requirement in the draft Maintenance manual which asks for TBA to set aside 25% of total rent collection for carrying-out maintenance of government buildings. (Chapter 3, clause 3.3.3). Also, TBA obtained grants from the Government as another source of fund for maintenance of government buildings.

The audit team has the opinion that through 25% system if properly implemented as stated in the guidelines it would provide sustainable way of funding the maintenance activities of the buildings. TBA did not provide evidence to the audit team to confirm that the 25 percent system of the total rent collected is consistently being instituted for maintenances purposes. Furthermore, there is no evidence that was given to show how much TBA has received from the government as grants specifically issued to cater for maintenance activities of government buildings.

Recommendation 2: TBA should develop implementable long term rehabilitation programs for major maintenance of government buildings in its regions

Interview held with officials from TBA revealed that Management Surveys followed by condition surveys of TBA properties has started in Dar es Salaam, Dodoma, Mwanza and Arusha regions and the report would be updated once the survey was complete. After completion of reports TBA would have made priorities to establish working program for execution of long term maintenance works for the other regions.

This recommendation was not implemented because the conditional survey for buildings had not been done in all regions in the country. Furthermore, conditional surveys were done in 6 out of 26 regions in the mainland Tanzania. During site visits in Mwanza region the audit team could not find the conditional survey report for TBA buildings found in the region.

Recommendation 3: TBA through MoW should establish a mechanism of effectively collecting rental arrears from MDAs to minimize the effects of the accumulating arrears to the Working Capital of TBA

TBA is still making follow ups of rent arrears accumulation from the Ministry of Finance by writing a letter with Reference No. GC:/109/128/21/09 of 13th March, 2018 and regular physical follow-ups, Also TBA hired a Debt Collector (YONO) to follow up rent arrears to other tenants and through that avoiding accumulation of rent arrears.

This recommendation was not implemented because TBA was still doing as it was before in collecting arrears from MDAs. There was no stringent and effective way that had been put in place to ensure that rent collection was effectively done.

There was no evidence or statistics given to the audit team showing how much the debt collector had so far collected from the arrears. Hence the contribution of debt collectors hired by TBA could not be established.

Recommendation 4: TBA should strengthen the way of establishing its maintenance needs that includes implementing and making use of the condition surveys and proper administration of maintenance request from in its regional offices.

This recommendation was not implemented because TBA had not provided evidence to indicate improvement on establishing maintenance needs since condition survey reports were not provided to the audit team.

(ii) Recommendations that were partially implemented

Recommendation 1: TBA should develop important and key guidelines with standardize procedures on maintenance of government buildings to enable it to be carried out in a way that guarantees the effective performance and achievement of desired results.

The Real Estate Management Manual has already been prepared by TBA. The first draft is waiting for the maintenance guidelines to be submitted to the management for approval. The manual is in the final stage of its preparations.

The audit team found out that this recommendation is partially implemented because the developed manual is not yet in place and TBA has not described whether the manual has clearly taken on board issues addressed in the audit such as the presence of standardized procedures on maintenance of government buildings

Recommendation 2: TBA should review its tenant's administration system and the relationship with their client with a focus on attaining a prolonged economic life cycle of properties

Through regular reviews stipulated in item 1.4 of the lease agreement, that when rent charges is lower than assessed rent; lessee will be required to do maintenance. Also, TBA introduced a complaint form to tenants for easy communication with an intention of solving maintenance problems facing tenants.

This recommendation is partially implemented because the response from TBA does not explain how the two measures ie tenants doing their own maintenance and the introduction of complain forms can lead to prolonged economic life cycle of the buildings.

TBA does not explain the instituted control mechanism within tenants' administration system which would ensure that first, tenants whose rent charges are lower than the assessed are really complying with and doing the maintenance as required. Also, the response does not tell how complaint forms are being handled in improving good relationship with their tenants

During our visits the audit team verified the presence of the complaint forms in which tenants expressed their desire for the government buildings to undergo maintenance. These forms are collected from the regions and copies are sent to TBA Headquarters for process in which maintenance schedule is made.

However, TBA could not clearly show, how this particular system is used to attend complains from tenants who were demanding the guarantee that TBA would conduct maintenance of their buildings within agreed timeframe.

(iii) Recommendation that was fully implemented by TBA

Recommendation 1: TBA should strengthen the M&E system specifically on how it monitors the maintenance of government buildings and evaluation of its performance towards addressing the indicators in their Strategic Plan.

TBA has established M&E Section which has more than five staff. The M&E Section has already prepared checklists for implementing government maintenance of buildings.

During the verification visits, the audit team confirmed the presence of M&E Section at TBA although it was still at the initial stages of its establishment including development of its operational guidelines and manuals. However this Section had started by developing checklists to assist them to cross check maintenance implementation status.

5.6 Specific Audit Conclusion

Based on the analysis of the implementation status of the previously issued audit recommendations, it is concluded that the Ministry of Works, Transport and Communication and Tanzania Building Agency have made satisfactory progress towards the implementation of the issued recommendations. However, for the 3 recommendations that were not implemented to the fullest by the Ministry of Works, Transport and Communication and TBA, management should add more efforts to ensure that all these are fully implemented.

5.7 Specific Audit Recommendations

5.7.1 Recommendations to the Ministry of Works, Transport and Communication

The Ministry of Works should:

1. Continue to strengthen policy framework to make it possible for TBA to operate within conducive environment by taking into account issues related to government Lease and arrears management; and
2. Strengthen their Monitoring and Evaluation Section in order to enable the Ministry to thoroughly conduct M&E activities especially on the maintenance of the government buildings.

5.7.2 Recommendations to the Tanzania Building Agency

Tanzania Building Agency should:

1. Speed up the completion of guidelines and manuals which are in the final stages of completion in order to be able to provide clear guidance to operations particularly on maintenance;
2. Effectively institute the system of retaining 25% of the rent collected for maintenance of government building to make sure that that fund is practically used for maintenance as stipulated in their guidelines; and
3. Speed up the exercise to conduct conditional survey in all regions and keep the regional offices updated on the status by sharing the report of the survey to enable the regional office participate effectively in maintaining the government buildings.

CHAPTER SIX

PERFORMANCE AUDIT ON PROVISION OF EXTENSION SERVICES TO FARMERS IN TANZANIA

6.1 Background to the Audit

The Performance Audit Report on the Provision of Extension Services to farmers in Tanzania was tabled to the Parliament of the United Republic of Tanzania in April, 2015. The main audited entities were the Ministry of Agriculture, Food Security and Cooperatives (now Ministry of Agriculture and Irrigation) and the Prime Minister's Office - Regional Administration and Local Government (now the President's Office - Regional Administration and Local Government (PO-RALG)).

6.2 Scope of the Audit

The Audit focused primarily to the Ministry of Agriculture and President's Office - Regional Administration and Local Government (PO-RALG). The Main objective of the audit was to assess whether the MAFC and the President's Office- Regional Administration and Local Government (PO-RALG) ensured that extension services to farmers were managed and monitored effectively, as per support rendered, and according to the issued guidelines and policies.

Specifically, the audit assessed whether the:

- Provision of agricultural extension services to farmers was effectively managed; and
- Monitoring mechanisms applied by MAFC and PO-RALG ensured effective provision of extension services to farmers

6.3 Main Audit Findings

1) Failure to improve farmers' agricultural technologies

Failure to improve farmers' agricultural technologies was attributed to the low level of adoption of agricultural technologies by farmers; few and often inactive demonstration plots and absence of farmer field schools; lack of knowledge and appropriate skills by extension officers at the LGAs; and inadequate short and refresher training programs to the extension officers and farmers as well as absence of training needs assessments for all agricultural extension officers in LGAs.

The successful execution of agricultural extension services was also hampered by shortage of extension officers for about 64 percent, non-prioritization of extension services and insufficient working tools. In average, one extension officer is serving three to four villages while for the

extension officer to adequately discharge his/her works is required to serve only one village. On the other hand, it was noted that an average of 75 percent of extension officers were operating without reliable transport facilities. This is one of the key working tools which facilitate the movements of extension officers when providing extension services to farmers.

2) Inadequate number of farmers was trained on good agricultural practices

In 2012/13, only 9,025 farmers were trained on good agricultural practices out of 895,644 farmers planned to be trained. This means that only one percent of planned number of farmers to be trained received the training.

3) Low agricultural production and productivity by farmers

Agricultural production and productivity have not improved significantly. Poor extension staff coverage, poor working facilities, ignorance of agricultural extension staff, and poor communication between extension officers and farmers as well as between key government institutions, mainly Ministry of Agriculture, PO-RALG, Regional Secretariat and LGAs, contributed to the slow improvement of extension services provision hence impacting agricultural yields.

Similarly, the changing weather patterns in the country to some extent contributed to low agricultural production, particularly when farming seasons are hit by low rains. This has been the case due to the fact that subsistence farming heavily depends on rains.

4) Monitoring provision of extension services to farmers was not adequately conducted

Monitoring the provision of agricultural extension service was not adequately conducted. There were no extension services guidelines which were distributed to LGAs showing performance indicators to be adhered to. The supervision visits were ineffectively conducted. There was lack of awareness of key features for proper conduct of supervision visits, as stated in extension services guidelines. The frequency of the visits, and criteria for deciding on the visits' coverage, were not explicitly known.

LGAs had limited awareness of their weaknesses and strengths in providing extension services to farmers, and to explore the available opportunities to improve the service. Since, they did not receive feedback from Ministry of Agriculture and PO-RALG, after having visited LGAs and reviewed reports, rarely communicated back their observations. LGAs, therefore, continued to work with unsolved challenges, thus hampering the services provided to farmers.

6.4 Overall Audit Conclusion

Agricultural production, productivity and profitability in the country have not been improved significantly, as intended in the extension service programme. Although the Ministry of Agriculture has put in place established guidelines and standards for provision of extension services but detailed procedures to be used in providing agricultural extension services to farmers were not in place. Hence, the possibilities to improve the well-being of Tanzanians, whose principal occupation and way of life is based on agriculture, were unnecessarily limited.

A key reason to this was that Ministry of Agriculture and PO-RALG neither did manage the agricultural extension program, nor monitor it effectively. The objective was not reached; to ensure that farmers were being equipped with the right agricultural knowledge, to be able to use appropriate technologies to improve their production, income and livelihoods and thereby solve agricultural problems.

6.5 Main Results of the Follow-up on the implementation of Recommendations

The Audit Office carried out a follow-up on the implementation of the issued recommendations to Ministry of Agriculture (MoA) and the President's Office - Regional Administration and Local Government (PO-RALG). The follow-up aimed at examining if there were any improvements on the provision of extension services to farmers in the country and see if there was a need to issue new recommendations.

Therefore, this section presents implementation status of the issued recommendations. Implementation status has been categorized into three categories namely, recommendations that were *fully implemented*, *partially implemented* and *those that were not implemented at all* by Ministry of Agriculture and PO-RALG.

Full implementation was rated when an audited entity has implemented a recommendation to the fullest as required by the audit report, whereas partial implementation was rated when an audited entity had to some extent implemented a recommendation as required by the audit report. When an audited entity did not implement a recommendation as required, it was rated as not-implemented.

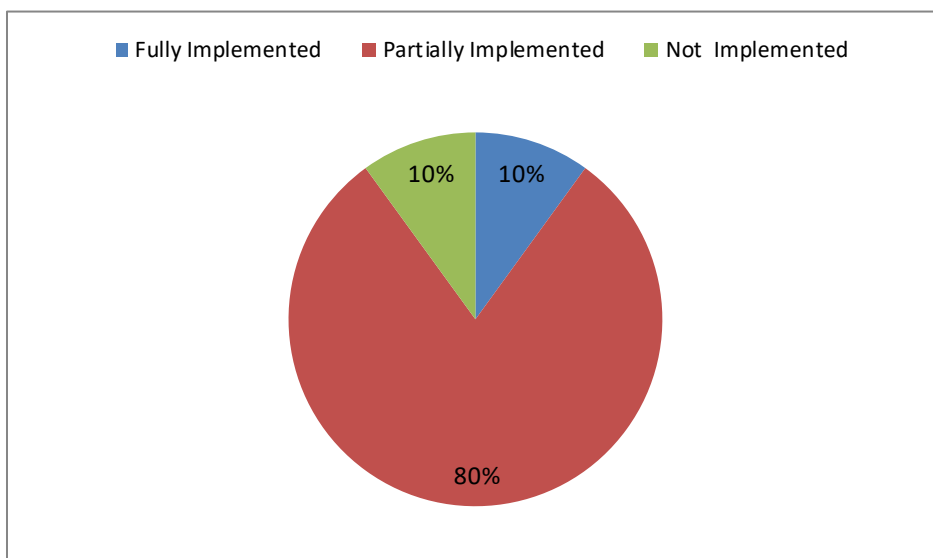
6.6 Overall Findings of the Follow-up on the Implementation of audit recommendations

In general, there were 2 recommendations that were issued to the Ministry of Agriculture (MoA), 5 recommendations issued to President's Office - Regional Administration and Local Government (PO-RALG), 7 recommendations were issued to both Ministry of Agriculture and PO-RALG while 6 recommendations were issued to Local Government Authorities through PO-RALG.

Based on the evidence submitted and interviews conducted with the officials from Ministry of Agriculture and PO-RALG respectively, the audit team noted that, none of the 2 recommendations issued specifically to Ministry of Agriculture were fully implemented.

Four (4) out of five (5) recommendations issued to PO-RALG were partially implemented, and only one (1) recommendation was not implemented. As for recommendations issued to both the Ministry of Agriculture and PO-RALG, 6 out of 7 recommendations were partially implemented and only one (1) recommendation was not implemented, and two (2) out of six (6) recommendations issued to LGAs were fully implemented while four (4) recommendations were partially implemented.

Figure 6.1: Shows the description of level of implementation by all audited MoA, PO-RALG and LGAs



Source: Auditors' analysis of given responses and interviews

Figure 6.1 above shows that about 80 percent of all issued recommendations were partially implemented while recommendations which were fully

including those not implemented were at the rate of 10 percent respectively.

Further analysis shows a description of number of issued recommendations to each audited entity with specific levels of implementation as shown in the Table 6.1.

Table 6.1: Overall Level of implementation of recommendations to all Audited entities

Audited Entity	No. of Issued recommendations	Fully implemented	Partially Implemented	Not Implemented
MoA	2	0	2	0
PO-RALG	5	0	4	1
MoA and PO-RALG	7	0	5	2
LGAs	6	2	4	0
Total	20	2	15	3

Source: Auditors' analysis of issue responses by the audited entities (2018)

Table 6.1 shows that, about 16 recommendations out of 20 recommendations issued were partially implemented by all audited entities. Four recommendations issued directly to PO RALG were partially implemented while neither PO-RALG nor the Ministry of Agriculture fully implemented any of the recommendations.

As shown in Table 6.2, further analysis of the issued recommendations per each cluster or category was made in order to provide the status of the level of implementation of the audit recommendations.

Table 6.2: Category of Recommendations

Audited Entity	Category of the Recommendation	Number of Recommendations			
		Total Issued	Partially Implemented	Fully Implemented	Not implemented
MoA	Policy Formulation	1	0	1	0
	Planning	1	0	1	0
PO-RALG	Planning	1	0	1	0
	Development	3	0	2	1
	Monitoring and supervision	1	0	1	0
LGA	Supervision	2	1	1	0
	Supporting	1	0	1	0
	Implementation	1	1	0	0
	Coordination	2	0	2	0
MoA and PO-RALG	Development	1	0	1	0
	Supervision and Monitoring	5	1	3	1
	Planning and Budgeting	1	0	0	1

Source: Auditors' analysis of responses given by the audited entities (2018)

Table 6.2 shows that recommendations related to development, planning and supervision were partially implemented compared to other categories of recommendations issued.

6.6.1 Implementation of the issued recommendations to Ministry of Agriculture

Table 6.3 shows that there were two recommendations which were directed to the Ministry of Agriculture and among them none of them were fully implemented.

Table 6.3: Level of implementation by the Ministry of Agriculture

Total Number of Issued Recommendations	Implementation Status			
	Fully Implemented	Partially Implemented		Not Implemented
		Satisfactory	Not Satisfactory	
2	0	2	0	0

Source: Auditors' Analysis from the interviews and reviewed documents (2018)

Table 6.3 shows that the Ministry of Agriculture was issued with two recommendations which were partially implemented.

Implementation status of the Issued Recommendations to the Ministry of Agriculture

(i) Recommendations that were partially Implemented by the Ministry of Agriculture

The audit noted that there were 2 recommendations that were issued specifically for Ministry of Agriculture and were partially implemented. These recommendations are:

Recommendation 1: The Ministry of Agriculture, Food Security and Cooperatives (MAFC) should formulate national policy on agricultural extension in order to ensure technical and financial commitment from all agricultural sector lead ministries

The audit noted that Ministry of Agriculture partially implemented this recommendation. The interviews held with officials from Ministry of Agriculture and evidence presented indicated that in responding to the recommendation the Ministry of Agriculture was supposed to review the model by laws and put in place legal framework for provision of extension services as well as develop extension master plan and review the extension implementation guidelines as per National Agricultural Policy of 2013.

The evidence indicated that the Ministry of Agriculture failed to develop an extension services master plan since the issuance of the recommendations. The Ministry of Agriculture reviewed the extension services implementation guideline in accordance with the National Agricultural Policy of 2013. However, extension master plan was not prepared due to inadequate funds for paying the consultant. Extension guidelines were not reviewed due to inadequate funds but the existing extension guidelines were distributed to stakeholders such as (ANSAF, MVIWATA, PO-RALG, ONEACRE and LGAs) prior to review meeting and not before that due to inadequate funding.

However, interviews held with officials from the Ministry of Agriculture and responses provided by the Ministry of Agriculture during the audit also showed that a draft model by laws has been prepared and is in progress for further action. Therefore this recommendation is marked partially implemented.

Recommendation 2: MAFC should develop and apply information technology tools such as FFS, Radio/TV Programmes, E-extensionetc., to facilitate the work of extension workers

In responding to this particular issued recommendation, the Ministry of Agriculture undertook to continue to review the guidelines to suit the

emerging needs and strengthening collaboration with stakeholders such as (PO-RALG and private sector) to facilitate functioning of the available tools including guidelines, local radio/TV, FFS, mobile phones.

The interview held with officials responsible for the provision of extension services in the Ministry of Agriculture and review of the evidence presented indicated that Ministry of Agriculture has already started using Radio and Television programs in providing extension services since May 2018.

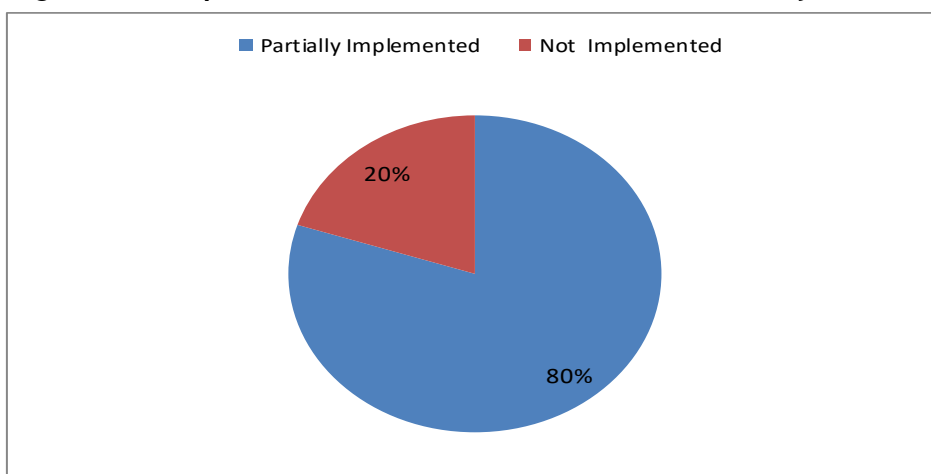
The audit noted that IT tools were developed and used by extension workers: FFS Training manuals; Radio and TV programmes; demonstration plots; and Nane nane farmers' exhibition guideline. However, there was no substantial evidence of the use of FFS training manual and demonstration plots. This makes the recommendation to be partially implemented.

6.6.2 Implementation of the Issued Recommendations by to PO-RALG

The audit report had a total of 11 recommendations which were directed to PO-RALG. 5 of those 11 recommendations were directed to PO-RALG alone and 6 out of those 11 were recommendations which needed both PO-RALG and Ministry of Agriculture to share the responsibility in the implementation. It was noted that out of 11 recommendations issued to PO-RALG 8 were partially implemented and 1 was not implemented, and 2 recommendations were fully implemented. Their overall implementation status is as indicated in **Table 6.4**.

The figure below shows overall implementation of the issued recommendations to the President's Office-Regional Administration and Local Government.

Figure 6.2: Implementation of issued recommendations by PO-RALG



Source: Auditors' analysis of issued recommendations (2018)

Figure 6.2 shows that most of given recommendation issued to PO-RALG were partially implemented at 80 percent while those which were not implemented were at the rate of 20 percent. There were no recommendations that were fully implemented.

Recommendation which were not implemented by PO-RALG

Recommendation 1: PO-RALG should develop a system that will enhance communication and interaction between farmers and extension officers to LGAs to include issues of extension services to be discussed in local level meetings.

Interviews held with PO-RALG officials responsible for the provision of extension services indicated that PO-RALG wrote to all LGAs advising them to introduce issues of extension services in local meetings. However, it was not evident whether communication between farmers and extension officers was enhanced.

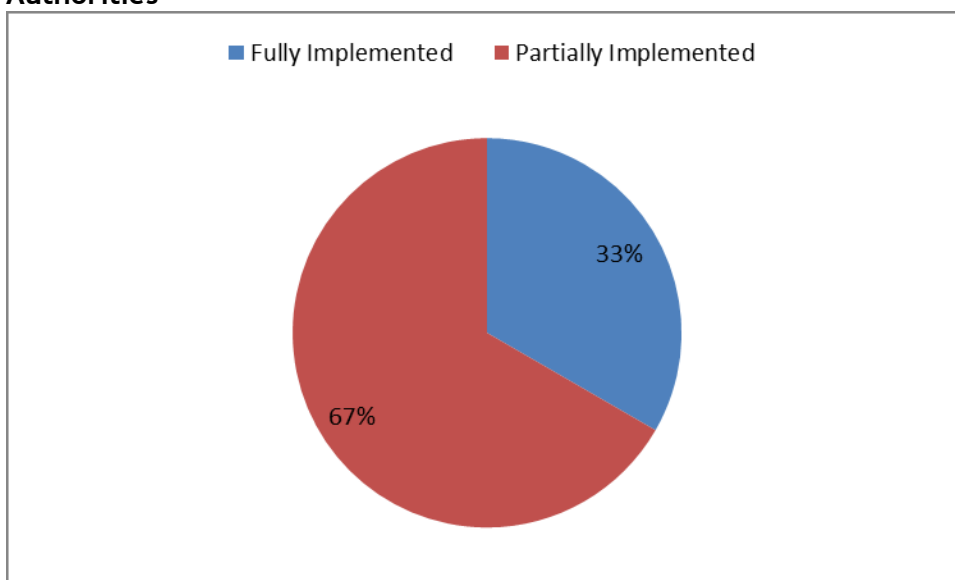
Hence the audit team found out that this recommendation was not implemented due to failure to receive any evidence showing that issues of extension services were discussed and deliberated at local level meetings.

6.6.3 Implementation of issued recommendations issued to LGAs through PO-RALG

The review of responses from PO-RALG and interviews held with officials responsible for extension services indicated that PO-RALG had a total of 6 recommendations which were issued to LGAs through PO-RALG. This means that that PO-RALG was required to ensure that those recommendations were largely implemented by LGAs. However, the audit noted that only 2 recommendations were fully implemented while the remaining 4 were partially implemented. This is as indicated in **Figure 6.3**.

Figure 6.3 below demonstrate level of implementation of recommendations which were issued to Local Government Authorities through President's Office-Regional Administration and Local Government.

Figure 6.3: Overall implementation of the issued recommendations to President's Office - Regional Administration and Local Government Authorities



Source: Auditors' analysis of issued responses (2018)

Figure 6.3 shows that most of issued recommendations to Local Government Authorities were partially implemented at the rate of 67 per cent and 33 per cent of the recommendations were fully implemented.

(i) Recommendations that are Fully Implemented

Recommendation 1: PO-RALG should ensure that LGAs enhance the use of agricultural register books in each village and the information in those registers is used as inputs for planning agricultural activities in the country.

In responding to this recommendation, PO-RALG directed RSs and LGAs to prepare and distribute agricultural registers and oversee enforcement on their use. Agricultural register (commonly referred as *daftari la kilimo* in LGAs) contains the following information: numbers of farmers reached; types of crops grown; and working schedule which shows activities/work done by ward and/or village extension officers on a daily basis.

Review of correspondences sent to LGAs by PO-RALG indicated that PO-RALG sent the letters with Reference No. AH.9/275/01/59 dated 3rd October, 2017 highlighting the directives to use agricultural register books in villages.

Recommendation 2: PO-RALG should ensure that LGAs support ward and village extension officers to develop adequate and realistic timetable for the provision of extension services to farmers and those timetables are timely communicated to farmers.

PO-RALG was supposed to remind RS and LGAs to enforce development and use of Agricultural calendars and timetables and submit copies to DAICOs.

The interview held with officials from PO-RALG and audit evidence indicated that PO-RALG wrote letters with Reference No. AH.9/275/01/59 dated 3rd October, 2017 giving Regional Secretariats and LGAs directives to use agricultural calendars and timetables.

(ii) Recommendations which that were Partially Implemented

Recommendation 1: PO-RALG should ensure that LGAs establish, operate and manage Farmers Fields Schools / demonstration plots effectively

PO-RALG was expected to direct RS and LGAs to conduct orientation /training to the existing extension officers and disseminate guidelines of FFSs/Demonstration plots. It was also the role of PO-RALG to direct RS in order to facilitate LGAs to allocate funds for FFSs/Demonstration plot in their budgets as well as overseeing group formation.

The audit noted that PO-RALG directed Regional Secretariats to provide orientation/trainings to the existing extension officers as well as dissemination of guidelines on FFSs/Demonstration Plots.

However, it was not evident whether PO-RALG managed to oversee the formation of groups as there was no any documentation to that effect, therefore this recommendation was considered as partially implemented.

Recommendation 2: PO-RALG should ensure that LGAs play a very strong coordinating role in order to bring on board all the various extension providers and other stakeholders, so that extension services are provided as part of a comprehensive agricultural development programme for the district

In responding to this recommendation, PO-RALG collaborated with ASLMs for building capacity and capabilities of RSs and LGAs in order to enable them play the leading role in coordinating the provision of extension services in their areas of jurisdiction.

Interviews held with the officers responsible for the provision of extension services in RSs and LGAs indicated that PO-RALG was able to conduct awareness campaigns in five (5) zones. However RSs and LGAs were made aware of their expectations regarding with the coordination of the provision of extension services in their respective regions and LGAs.

However, there was no evidence as to whether all stakeholders were outlined and brought together to form part of the comprehensive agricultural development programme in the visited zones, therefore this recommendation was partially implemented.

Recommendation 3: PO-RALG should ensure that LGAs Facilitate the emergence of strong cooperative and other forms of farmer organization, which can facilitate access to knowledge, information, inputs, credit and other relevant services

According to PO-RALG, RSs and LGAs have been directed to promote the establishment of Agricultural Marketing Cooperative Society, Savings and Credit Co-operative Society and Village Community Bank and report to respective RCs. PO-EEC has the role of developing guidelines to assist LGAs to manage VICOBA¹.

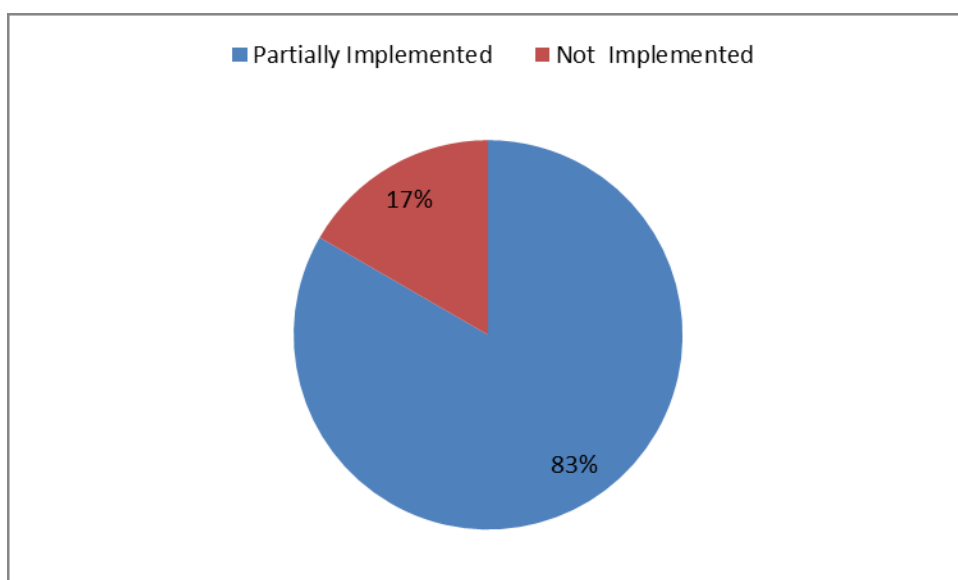
The interview held with the PO-RALG officials indicated that PO-RALG plays the vital role in ensuring that LGAs encourage the establishment of strong cooperatives and other forms of farmer organizations to facilitate access to knowledge, information, inputs, credit and other services.

It was noted that PO-RALG supported RSs and LGAs for the management of VICOBA, and the guidelines for that were developed. The main limitation noted regarding these guidelines was that they had not been shared with RSs and LGAs as they were still considered as draft. Therefore this recommendation was partially implemented

6.6.4 Recommendations issued to Both the Ministry of Agriculture and President's Office - Regional Administration and Local Government

There were seven (7) recommendations that were issued to both the Ministry of Agriculture and PO-RALG. This means, the two ministries were required to collaborate to implement these recommendations. The implementation status of the issued recommendations for both MoA and PO-RALG is as indicated in Figure 6.4 below.

¹ Village Community Banks



Source: Response provided by PO-RALG and Ministry of Agriculture (2018)

Moreover, Figure 6.4 shows that about 83 percent of all issued recommendation to both the Ministry of Agriculture and PO-RALG were partially implemented while 17 percent of these recommendations were not implemented.

(i) Recommendations which were Partially Implemented

Recommendation 1: Ministry of Agriculture in collaboration with the President's Office- Regional Administration and Local Government (PO-RALG) should develop original, location-specific, participatory and cost effective agricultural extension methodologies and materials instead of applying those methodologies which are promoted as universally suitable.

Review of the Ministry of Agriculture responses indicated that the Ministry would continue to collaborate with PO-RALG and other stakeholders in all matters pertaining to technology development and dissemination as much as possible (adherence and compliance to Good Agricultural practices (GAPs) and by-laws developed), to develop MoU between the Ministry of Agriculture and PO-RALG and private sector to ensure that farmers follow the recommended technologies and guidelines provided by extension services.

The written responses and interviews held with the Ministry of Agriculture officials indicated that the ministry has employed different methods which are location specific. These methods are:

- FFSs which aim to create awareness on using agricultural extension services;

- Farmer to farmer extension approach whereby trained farmers are used to train their fellow farmers on specific commodity; and
- Demonstration plots which act as farmers' plots highlighting improved production practices and serving as a backdrop for multiple educational presentations to other farmers throughout the growing seasons. It is also used as a Farmer field days and exchange visits. Moreover agricultural shows and exhibition aim to improve agricultural productivity.

Currently, the FFS methodology is widely used due to its comparative advantages to other methodologies.

On the other hand, Agricultural Sector Lead Ministries would keep lobbying and advocate for political support towards a more productive and profitable agricultural sector. PO-RALG planned to strengthen its support to Regional Secretariat and LGAs in order to enforce performance based management in the provision of extension services.

Agricultural Sector Lead Ministries (ASLMs) planned to hold meetings and review the effectiveness of universally suitable extension methodologies and materials, PO-RALG and ASLMs in collaboration with RS and LGAs would ensure that Ward Agricultural Resources Centers are constructed and adequately equipped, PO-RALG and Ward Agricultural Resources Centers, RS and LGAs would promote increased number of agriculture champions (public and private), PO-RALG to give directive/guidelines to LGA to allocate budget for extension service and farmers day celebrations from village level according to Tanzania Agricultural Support Organization circular.

Despite the claim for the existence of collaboration between MoA and PO-RALG on the provision of extension services and implementation of the available methodologies, there is no evidence to support it. However, the audit noted that there is a Memorandum of Understanding that has been developed but not yet signed between the two Ministries.

Regarding this recommendation, PO-RALG did not make any progress during and before the audit. However, it was noted that PO-RALG worked with MoA on developing of MoU which was still in the draft form.

Recommendation 2: MAFC in collaboration with PO-RALG should ensure effective operational linkages on the provision of agricultural extension services between MAFC, PO-RALG, RS and LGAs.

PO-RALG in responding to this recommendation facilitated RS and LGAs to encourage linkages between actors in the provision of extension services at all levels. In so doing, PO-RALG directed RSs and LGAs to develop a checklist for the available guidelines and ensure that they were provided to the

intended extension officers. Moreover, PO-RALG disseminated extension service guidelines and other strategic documents as well as provided guidelines to RS and LGAs for the budget allocation in order to facilitate availability and use of guidelines and other strategic documents. PO-RALG also promoted the use paper free (online) documents and re-introduced research farmer extension monthly linkages.

On the other hand, MoA instituted a formal direct technical linkage and supervision mechanism to strengthen capacity of ZIELU ASLMs to strengthen Thematic Working Groups (TWGs). The rationale is for TWGs to be the overseer of all functioning agricultural services (extension, research, training, market, inputs etc) at all levels under ASDP II, being able to establish replica TWGs at LGAs under District Executive Director (DED), and finally being able to use ICT to increase technology dissemination/ transfer link to the Agricultural Training Institutes directly with LGAs.

During the audit, it was noted that MoA had established annual meetings of all extension officers to discuss agricultural extension services challenges and provided deliberations to PO-RALG, RSs and LGAs officials. However, there was no evidence availed to confirm that these meetings took place despite revelation that the budget was set aside for such meetings. Also, there was no evidence that reports were shared among the ministries, RSs and LGAs. It was noted that casual communication was obvious with regard to provision of extension services among the key players. Thus, this issued audit recommendation was partially implemented.

Recommendation 3 MAFC in collaboration with PO-RALG should design and follow appropriately strategies for getting maximum output from agricultural extension function that is performed with relatively small number of agricultural extension officers.

The Ministry of Agriculture to continue training extension staff at certificate and diploma levels and PO-RALG to set aside budget in order to employ extension staff (one extension staff to serve 600 farmers) and provide them with working tools including housing, transport, extension guidelines, MAFC to advise PO-RALG continue constructing WARCs in all wards and re-tool them, MAFC to advise.

PO-RALG to involve private service providers in extension services, MAFC to advise PO-RALG that the extension staff should not be given other tasks such as Ward/Village Executive Officer.

Through interviews held with the ministry's officials and review of documents provided to auditors, it was noted that the Ministry of Agriculture designed and used the group approaches. There was an increased involvement of private sector for facilitation of extension officers with working tools.

On the other hand, PO-RALG was required to collaborate with RS and LGAs to follow up the implementation of extension services guidelines.

According to Interview held with both MoA and PO-RALG staff responsible for the provision of extension services, it was indicated that they had developed strategies for agricultural extension function. Also, the two Ministries were planning to steer a Task Force to work on designing a more sustainable programme which would involve private sector and other stakeholders for the purpose of enhancing agricultural productivity.

However, there was no any documented evidence to ascertain the results from the interviews held with those officials. Thus this recommendation was marked as partially implemented (not satisfactory).

Recommendation 4: PO-RALG in collaboration with MAFC should ensure that agricultural extension service guidelines are adequately distributed to LGAs.

With regard to this recommendation, MoA and PO-RALG continued with the provision of guidelines to all extension services staff and developed a mechanism to make sure that the guidelines were distributed to extension staff in LGAs, particularly at village and ward levels. However the guidelines had not been reviewed. MoA undertakes to review the guidelines and distribute to all LGAs, ward and village level.

To address the above recommendation PO-ALG would give dissemination support to RSs and LGAs to ensure effective dissemination of national extension guidelines.

The guideline were not reviewed, however it was noted that PO-RALG disseminated the guideline to LGAs. For this PO-RALG did not provide any evidence as to whether the guideline reached all RSs and LGAs for implementation. Thus the recommendation was partially implemented (Satisfactory level).

Recommendation 5: MAFC in collaboration with PO-RALG should ensure monitoring and evaluation plans are developed in order to adequately monitor the performance of agricultural extension services against the set performance indicators.

The Ministry of Agriculture is required to strengthen M&E through developing a monitoring plan. Likewise each sub-sector needs to develop its own monitoring plan. Monitoring for extension services to be done at least twice a year and PO-RALG to use the developed criteria to assess the performance of the extension services staff.

The audit noted that MoA had developed monitoring and evaluation (backstopping) tool which was being implemented annually. Monitoring plans were seen which highlighted a number of performance indicators such as: number of extension officers per district; number of farmers receiving extension services; productivity level; inputs; and major risks outlined. However, there was no evidence as to whether MoA involved PO-RALG in preparing the M&E tool.

PO-RALG, ASLMs and JICA in collaboration with other stakeholders planned to review ARDS in order to come up with the most appropriate and implementable monitoring and evaluation system.

Through the Interview held with PO-RALG officials, it was noted that the recommendation was not been implemented, as PO-RALG was unable to come up with the most appropriate implementable monitoring and evaluation system for the extension services.

Recommendations that is not implemented

Recommendation 1: PO-RALG in collaboration with MAFC should ensure that part of funds accrued from crop and livestock levies are injected back into agricultural extension service delivery to develop sustainable financing of extension service to farmers.

PO-RALG through RS and LGAS was supposed to follow up on the implementation of circulars, guidelines and other directives in sustaining extension services. On the other hand, MoA was supposed to remind PO-RALG to ensure that 20% of crop cess² is allocated in the budget specifically for ensuring sustainable financing of extension service.

There was no evidence whether 20% of crop cess was factored in the annual budget to cater for extension services as suggested by the Ministry of Agriculture. There was also no evidence as to whether RSs and LGAs complied with crop cess circulars and guidelines as indicated by PO-RALG.

According to interviews held with officials from PO-RALG, the auditors were able to confirm that the retention of some crop and livestock levies to finance extension services to farmers was not yet implemented due to changes in the ministry's establishment from the Ministry of Agriculture, Livestock and Cooperatives to the Ministry of Agriculture Food Security and Cooperatives. Thus, this recommendation was not implemented.

² The Local Government Finance Act of 1982 and subsequent amendments provides the legal basis for imposition of **produce cess** taxation by local government authorities (LGAs) in Tanzania. **Produce cess** is the tax that is charged by LGAs on agricultural **produce**.

Recommendation 2: PO-RALG in collaboration with MAFC should ensure that professional development programs for extension officers are developed based on their training needs and are adequately implemented with an objective of imparting them with up-to-date knowledge about what to do in the field and capacity to provide extension services to farmers.

MoA in collaboration with PO-RALG was supposed to develop professional development programs for extension officers based on their training needs. The intention was to capacitate agricultural extension officers with the up-to-date knowledge on key issues in the field.

There was no evidence showing whether both MoA and PO-RALG developed professional development programs for agricultural extension officers based on their training needs. This is because there was no any written response from both MoA and PO-RALG. Thus, this recommendation has not been implemented.

6.7 Conclusion

Based on the analysis of the implementation status of the previously issued recommendations, it is concluded that the Ministry of Agriculture as well as the President's Office-Regional Administration and Local Government have made satisfactory progress towards the implementation of the issued recommendations.

However, for recommendations that were not implemented to the fullest by MoA and PO-RALG collaboratively, management should add more efforts to ensure that all these recommendations are fully implemented.

6.8 Specific Recommendations

6.8.1 Recommendations to the Ministry of Agriculture

Ministry of Agriculture food security and cooperatives should

1. Continue to strengthen policy framework to make it possible for extension services to be widely provided and be integrated in the National Master Plan for Extension Services. Funds should be set aside to formulate a comprehensive database for provision of extension services in the country;
2. Strengthen M&E section to provide feedback on the situation prevailing in the agricultural sector and in particular for provision of extension services in the country; and
3. Continue to collaborate effectively with PO-RALG to ensure extension services are high priority for attaining sustainable

agricultural production and productivity in the country. MoA and PO-RALG should ensure that all recommendations that require their collective involvement are implemented collaboratively.

6.7.2 Recommendations to the President's Office - Regional Administration and Local Government

PO-RALG should:

1. Speed up the completion of guidelines and manuals which are in final stages of completion to provide clear guidance to the provision of extension services;
2. Effectively institute the 20% retention of agricultural crop cess system to make sure that that fund is practically used to finance the extension services in the country;
3. Speed up the exercise of conducting survey in all regions and keep the LGAs capacitated including assisting in staffing the LGAs with enough extension services officers; and
4. Make continuous follow-up of the guidelines and directives and enhance the monitoring and evaluation systems to inform the results and performance of LGAs in the provision of extension services in the country.

CHAPTER SEVEN

GOVERNANCE ARRANGEMENTS FOR THE IMPLEMENTATION OF PERFORMANCE AUDIT RECOMMENDATIONS

7.1 Introduction

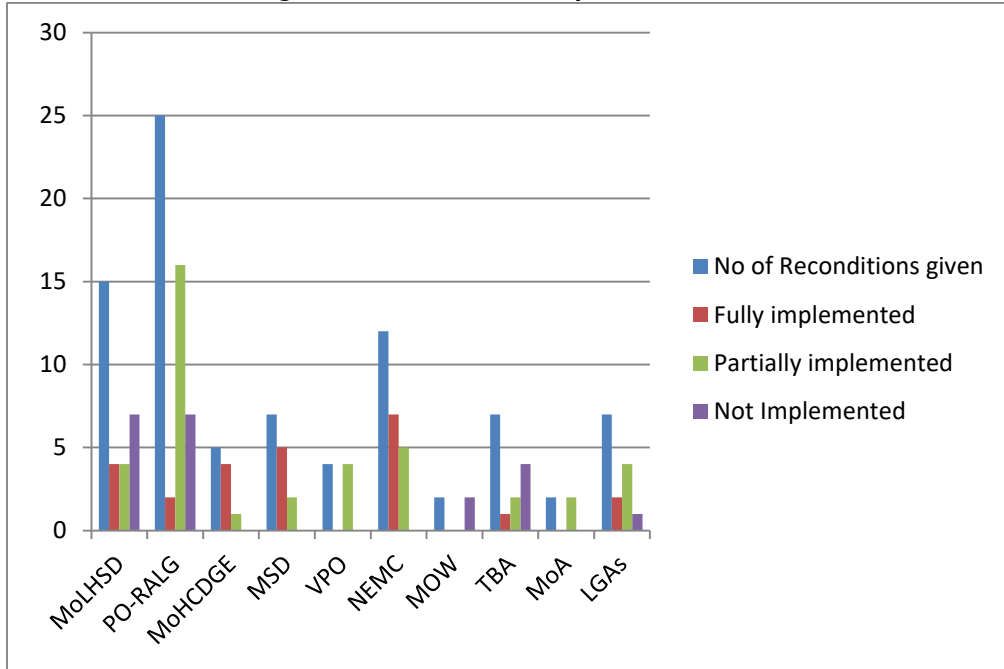
This chapter provides analysis of the governance arrangements within the audited entities on how to implement the performance audit recommendations. It provides details on how key aspects of governance in the implementation have contributed to the inadequate implementation of the previously issued recommendations.

7.2 Level of Implementation of the Audit Recommendations in Audited Entities

Based on follow-up conducted, a total of 85 recommendations were provided for all five audit reports. Out of the 86 recommendations, 22 recommendations were fully implemented, 41 recommendations were partially implemented and 22 recommendations were not implemented.

The diagram below shows the statistics of the status of implementation

Figure 7.1: Status of Implementation



Source: Auditors' Analysis of response from Audited Entity (2018)

Therefore, from figure 7.1 most of the recommendations were not satisfactorily implemented since they are either partially or not implemented at all.

7.3 Reasons for Inadequate Implementation of the Issued Recommendations

As noted above, the level of implementation of the issued recommendations was not satisfactory since the fully implemented recommendations stood at 26 percent of all issued recommendations. The audit team noted that the main reason for non-implementation of all issued recommendations was insufficient governance arrangements on the implementation of the issued recommendations within the audited entities.

This is evidenced by the following:

7.3.1 Lack of clearly established Responsibilities and Reporting arrangements for monitoring the implementation of issued Recommendations

The follow-up audit noted that there are weaknesses in the clarification of responsibilities and reporting arrangements for monitoring results on the implementation of issued audit recommendations in most of the audited entities. This was indicated by the following:

Absence of a Unit or Section Responsible for Overseeing the Implementation of Performance Audit Recommendations

Our audit team observed that, only one out of nine audited entities had a section charged to work on issued recommendations, this entity is the President's Office - Regional Administration and Local Government (PO-RALG). PO-RALG has strengthened the Inspectorate and Finance Tracking Unit which is responsible for overseeing the implementation of issued performance audit recommendations. However the audit team could still not receive responses in time on the audit recommendations on the Provision of Extension Services to farmers from PO-RALG.

The rest of audited entities i.e. 8 out of 9, do not have a Unit, Section or Department that is charged with overseeing the implementation of issued performance audit recommendations. These entities are Ministry of Lands, Housing and Human Settlements Development, Ministry of Agriculture, Medical Store Department, VPO, Ministry of Health, Community Development, Gender, Elderly and Children, Ministry of Works, Transport and Communication, TBA and NEMC. This was evidenced by the fact that auditors were required to spend more time to identify various sections within the audited entities that could be responsible for the issued

Recommendations. This process of identifying responsible officers/section to meet with in some entities took many days.

For example, at the Ministry of Agriculture and PO-RALG (Extension services) did not provide updated responses in time. The entrance meeting was conducted on 6th November 2018 and the audit team managed to meet responsible officers who were supposed to send the updated status, but responses were not timely supplied to the team despite the follow ups made by the audit team, this was because there was no Unit/Section to oversee the implementation of issued recommendations.

The same was experienced at NEMC whereby during the entry meeting the officer who was assigned to supply the audit team with the implementation status did not do so for more than a month until when the team decided to go back to NEMC's Management and see the Director for Environment Impact Assessment who decided to take responsibility of handling the matter and supplied the updated status within two days.

This means that even though recommendations were received by the top management of the audited entities, management did not assign anyone the task of ensuring that the recommendations were adequately implemented. Hence, individual Sections or Departments within the audited entities took own initiatives to work on those recommendations without knowing where to report and consolidate their implementation status.

As a result it was difficult for the audited entities to have clear picture and coordinated efforts on the extent to which the specific recommendation has been implemented. Equally, the audit team saw the risk of duplicating efforts within the audited entities in the course of implementing the issued recommendations.

Furthermore, during the meetings with the audited entities' officials to discuss implementation status of the issued recommendations, audit teams observed that, there was no clear coordination in 8 out of 9 audited entities; thus activities for implementation of recommendations were not well coordinated. Only one audited entity namely, MSD managed to coordinate well the implementation of issued audit recommendations.

In eight audited entities, the audit team noted that, because of poor coordination, they failed to prepare the implementation status of the given audit recommendations indicating how the recommendations were implemented. This was due to the fact that, the given recommendations were meant to be implemented by different Sections or Departments within the audited entities which require coordination. As a result it took quite some times for the audit team to get clarifications regarding the implementation status of some recommendations.

Weak Reporting Mechanisms on the Implementation Status of Recommendations

Through interviews and discussions held with officials from the audited entities, it was noted that the audited entities were not having good mechanisms for reporting the implementation status of the given recommendations. In all nine (9) audited entities, audit team noted that there was no any specific report that was produced showing how the issued recommendations were implemented.

Audit team noted that, when audited entities wanted to discuss issued recommendations, they were using the same document prepared by National Audit Office of Tanzania and submitted to them requesting for their level of implementation of the issued recommendations.

Furthermore, the audit team found-out that there was no any report that was submitted either to the top management, management or even Audit Committee meetings of the audited entities to discuss matters regarding the implementation of the issued performance audit recommendations.

Therefore, it was further noted that failure to have good reporting mechanisms hampered the ability of the audited entities to monitor and track the level of implementation of the given recommendations. This situation was contributed by the fact that there is no further arrangement to make follow-up on how the given recommendations have been implemented, despite the requirement that the audit recommendations need be discussed in the management meetings upon their receipt.

7.3.2 Audited entities' Processes for Managing the Implementation of Previously Issued audit Recommendations are not properly defined

Based on the interviews held with officials from all nine (9) audited entities, the audit team found-out that the audited entities' processes for managing the implementation of previously issued audit recommendations were not properly defined and not known to some staff within those audited entities.

This is despite the fact that, during the exit meetings of these particular audits between the National Audit Office and the respective Management of the audited entities, the audited entities received the audit recommendations and came up with preliminary plans that show how they would implement them. In those preliminary plans, the audited entities came-up with broad activities and timelines from which the recommendations were expected to be implemented.

However, it was noted that, apart from the preliminary plans that were prepared during the exit meetings, there was no any other plan prepared by

the audited entities to further guide them and provide accountability on the implementation of the given recommendations. In turn, this led to insufficient implementation of the issued recommendations as they were yet to be implemented despite the fact that four years had already lapsed.

Moreover, it was noted that preparations of the implementation status report was not seriously taken by the audited entities. The implementation reports were mostly prepared upon the receipt of the reminder from the Controller and Auditor General.

It was further noted that this was mainly caused by the absence of the detailed plan on how the issued recommendations would be implemented. It was also caused by weak monitoring and follow-up of matters regarding implementation status of the issued recommendations.

No one was clearly accountable for this matter. For example, in all nine (9) audited entities, it was noted that, the Audit Committee was not in the picture regarding Performance Audit Reports issued to the audited entities and in that aspect no any sort of follow-up was made by them. With exception of the Ministry of Agriculture in which the Internal Audit Section was involved in sending the delayed responses, Internal Audit functions in other audited entities were not aware on issues regarding the implementation of audit recommendations.

Another reason for not seriously preparing implementations status report was the lack of the recommendation registry in the audited entities that captured all performance audit recommendations from the Controller and Auditor General. This was observed in nine (9) audited entities. As a result, the issued recommendations were not included in various implementation plans prepared by the audited entities.

Moreover, the audit noted that sharing of information regarding the implementation status prepared was not sufficiently done across Sections or Departments within the audited entities.

National Environmental Management Council (NEMC) and the Ministry of Agriculture, the audit team faced challenges in tracking who was involved in responding to the issued recommendations. Therefore, this implies that there was no clear and sufficient process for sharing information regarding the implementation status of the given recommendations.

7.3.3 Inappropriateness of the System for Monitoring the Implementation of Issued Recommendations

The audit team evaluated the adequacy and appropriateness of the systems for monitoring the implementation of the given recommendations. Through the said evaluation, the audit team noted that the system for monitoring the implementation of issued recommendations within the audited entities was not appropriate and contributed to a large extent to unsatisfactory implementation of the issued recommendations.

It was noted that, the system for monitoring the implementation of the recommendations was lacking monitoring plans. Performance indicators that could be used to assess the level of implementation of the given recommendations, clearly defined implementation strategies based on the timelines and also failure to report the level of performance of concerned Sections or Departments within the audited entities as far as implementation of recommendations are concerned.

This was mainly caused by the failure of the audited entities to assign specific officials or Section to deal with matters regarding the implementation of the given recommendations.

It was further noted that, due to insufficient system to monitor the implementation of the given recommendations, the following weaknesses raised:

- 1) Failure to capture all issued recommendations in the recommendations registry hence audited entities lack good knowledge of the existing recommendations to be addressed;
- 2) Failure to include the issued recommendations in the audited entities' plans and budget as well as activities;
- 3) Failure to regularly establish status of the recommendation;
- 4) Insufficient reporting and sharing of implementation status; and
- 5) Unsatisfactory implementation of the given recommendation whereby at the time of this audit almost one-third (33 per cent) of the given recommendations were yet to be implemented despite the fact that four years had already lapsed since when those recommendations were issued.

CHAPTER EIGHT

CONCLUSION AND RECOMMENDATIONS

8.1 Introduction

This chapter provides conclusion of the findings presented in previous chapters. The conclusion is based on the overall objectives of the follow-up on the implementation of the previously issued recommendations as presented in chapter one of this report.

Similarly, this chapter contains recommendations to the respective audited entities on what should be done to improve the situation.

8.2 Conclusion

8.2.1 Overall Conclusion

The overall conclusion of this follow-up is that the actions taken by the audited entities in response to previously issued performance audit recommendations have not adequately and effectively addressed the matters that led to recommendations being made.

Implementation of the issued recommendations is not satisfactory as only 25 out of 86 (equivalent to 29 per cent) of the issued recommendations were fully implemented, 40 (equivalent to 47 per cent) were partially implemented, 21 (equivalent to 24 per cent) were not implemented. Therefore, 71 per cent of the issued audit recommendations were either partially or not implemented by the audited entities.

This is mainly caused by insufficient governance structures within the audited entities and highly contributed by lack of clearly established responsibilities and reporting arrangements, inappropriateness of audited entities' processes and system for monitoring the implementation of issued recommendations within the audited entities.

Due to this, the audited entities are still operating without having a specific section or individuals to coordinate the implementation of the issued recommendations, lack of updated recommendation registry, and lack of detailed plan for the implementation of the issued recommendations was also observed to contribute to insufficient implementation of the audit recommendations.

8.2.2 Specific Conclusions

The audited entities have not satisfactorily implemented a large number of the audit recommendations issued by the NAOT

Large number of the issued audit recommendations has not been implemented by the audited entities. Only 29 per cent of 86 issued performance audit recommendations were fully implemented and the remaining part has been either partially or not implemented contrary to the expectation of the audit office.

In addition, various actions have been taken by the audited entities in relation to those recommendations directed towards enforcement, coordination and monitoring. But, recommendations directed towards Planning and Budgeting, Monitoring and Evaluation, Revenue, Coordination, Development, Enforcement, Execution, Capacity Building and Awareness have not been implemented.

This is despite the fact that those areas are critical for enhancement of performance of the audited entities in various areas of their jurisdictions. This means that there are no corrective measures taken to address issues in those areas.

Failure to act and improve those areas has to a large extent denied those audited entities a room to enhance quality of the services they are providing and ultimately denying people to receive high quality services which were supposed to be rendered to them by the audited entities.

The audited entities lack working governance systems for monitoring NAOT's performance audit recommendations

The audited entities lacks a well-functioning working governance system for monitoring NAOT's performance audit recommendations even-though all audited entities have internal audit functions, audit committees, and perform periodical management meetings.

But, those structures were not extensively used to address performance audit recommendations. They were mainly focusing on the recommendations from financial audit only. For example, the Audit Committees of all audited entities have never received any performance audit reports for their deliberation.

Another example is that none of the internal audit functions of the audited entities have been involved themselves in making any follow-ups on issues raised in the performance audit reports. The same was also observed during the meetings of the Management Committees of the audited entities which

have never discussed and deliberated on the extent of the implementation of the issued performance audit recommendations.

Furthermore, the reporting of the level of implementation of the issued audit recommendations has been a challenge since there was no documented information or reports which track and document the level of implementation of the issued recommendations and ensure that the implementation status is periodically updated.

8.3 Overall Recommendations

The Government Ministries, Independent Departments, Agencies and Local Government Authorities establish clear governance structure by:

1. Prioritizing the implementation of all recommendations issued by the CAG;
2. Tracking all issued recommendations and documents their implementation status; and
3. Having a working governance system for monitoring NAOT's performance audit recommendations.