THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE

ISO 9001:2015 Certified

FOLLOW-UP REPORT ON THE IMPLEMENTATION OF CONTROLLER AND AUDITOR GENERAL'S RECOMMENDATIONS FOR THE TWELVE PERFORMANCE AUDIT REPORTS ISSUED AND TABLED BEFORE THE PARLIAMENT IN APRIL, 2020

CONTROLLER AND AUDITOR GENERAL
March, 2024

Mandate

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

NAOT mission, vision & Motto

01 Mission
To provide high-quality audit services through the modernisation of functions that enhance accountability and transparency in the management of public resources.

02 Vision
To be a credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

03 Motto
Modernising External Audit for Stronger Public Confidence

CORE VALUES

Independence and objectivity
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit
We value and work together with internal and external stakeholders.

Results-Oriented
We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.

Professional competence
We deliver high-quality audit services based on appropriate professional knowledge, skills, and best practices

Integrity
We observe and maintain high ethical standards and rules of law in the delivery of audit services.

Creativity and Innovation
We encourage, create, and innovate value-adding ideas for the improvement of audit services.

PREFACE

I am pleased to present a Follow-up Report and Impact Assessment on implementing the recommendations from the previous Performance Audit Reports. This report covers twelve (12) individual Performance Audit Reports. The related recommendations were given to seventeen (18) Government Entities, namely President's Office – Regional Administration and Local Government (PO-RALG); Energy and Water Utilities Regulatory Authority (EWURA); Financial Intelligence Unit (FIU); National Multi-disciplinary Committee on Anti-Money Laundering (NAMLC); Ministry of Agriculture (MoA); Ministry of Education, Science and Technology (MoEST); Ministry of Energy (MoE); Ministry of Finance (MoF); Ministry of Health (MoH); Ministry of Livestock and Fisheries (MoLF); Ministry of Information, Communication and Information Technology (MICIT); National Food Reserve Agency (NFRA); Public Procurement Regulatory Authority (PPRA); Tanzania Electric Supply Company (TANESCO); Tanzania Revenue Authority (TRA); Tanzania Rural and Urban Roads Agency (TARURA); and Vocational Education and Training Authority (VETA).

I have the honour to submit this Follow-up and Impact Assessment Report on the Implementation of the Recommendations from the previously issued Performance Audit Reports to Her Excellency, Hon. Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania, and through her, to the Parliament, as per Article 143 of the Constitution of the United Republic of Tanzania, 1977 and Section 34(1) and (2) of the Public Audit Act CAP 418.

This report provides our main stakeholders, namely, Members of Parliament and the Government, with the analysis of the progress of the Audited Entities in responding to the recommendations made in the respective Performance Audit Reports, which were tabled and adopted by the Parliament in April 2020. The rationale behind this report is to make the Parliament aware of the implementation status of the recommendations issued in the previous Performance Audit Reports.

In essence, this Follow-up Report has enabled me to provide independent assurance to the Parliament concerning the implementation status of the previously issued recommendations on areas such as Supervision of the

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Construction of Warehouses and Storage Silos Complexes Projects; Quality of Executed Bitumen Surfaced Road Works in Urban Areas; Management of Revenue Collection from the Telecommunication Services Providers; Access to Quality Vocational Education and Training; Management of Immunization and Vaccination Project Activities; Maintenance of Accessibility and Reliability of Electric Supply Services; Management of Provision of Capacity Building to In-service Teachers; Implementation of National Initiatives to Combat Money Laundering; Prevention and Control of Livestock Diseases; Revenue Collections from Own Sources in LGAs; Monitoring and Enforcement of Public Procurement Activities; and Implementation of African Union and United Nations Conventions Against Corruption in Public Procurement.

The main objective of the follow-up was to assess how the Audited Entities have implemented the recommendations issued by the Controller and Auditor General. Similarly, the impact assessment evaluated the perceived impact of implementing the issued performance audit recommendations.

While my Office conducts audits and issues reports on the performance of Ministries, Departments and Agencies (MDAs), Local Government Authorities (LGAs), Public Authorities and Other Bodies' programmes and activities, the ultimate responsibility for ensuring there is efficiency, economy and effectiveness in the use of public resources rests with the respective Accounting Officers. Therefore, the accounting officers are responsible for implementing the CAG recommendations.

I would like to appreciate the commitment of my staff and the cooperation accorded to my audit teams by the respective Accounting Officers and their staff, which has facilitated the timely completion of the Follow-up and Impact Assessment.

Charles E. Kichere
Controller and Auditor General
United Republic of Tanzania
March, 2024

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LIST OF ABBREVIATIONS AND ACRONYMS

ABC	Aerial Bundle Conductors
ACGEN	Accountant General
AML	Anti-Money Laundering
AU	African Union
BoQs	Bills of Quantities
CFT	Combating the Financing of Financing of Terrorism
CMSA	Capital Markets and Securities Authority
CPD	Continuous Professional Development
CRM	Customer Relationship Management
CUIs	Commonly Used Items and Services
DBMS	Database Management Systems
DROMAS	District Road Management System
EFDMS	Electronic Fiscal Device Management System
ERIS	Electricity Regulatory Information System
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
GASCO	Gas Supply Company Limited
HPV	Human Papilloma Virus
INSET	In-Service Training
KPIs	Key Performance Indicators
LANES	Literacy and Numeracy Education Support
LEAs	Law Enforcement Agencies
LGRCIS	Local Government Revenue Collection Information System
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MICIT	Ministry of Information, Communication and Information Technology
MIS	Management Information System
MNOs	Mobile Network Operators
MoA	Ministry of Agriculture
MoEST	Ministry of Education, Science and Technology
MoF	Ministry of Finance
MoH	Ministry of Health
MoLF	Ministry of Livestock and Fisheries
MoU	Memorandum of Understanding
MSD	Medical Stores Department
MT	Metric Tons

MUST	Mbeya University of Science and Technology
NACTVET	National Council for Technical and Vocational Education and Training
NASMS	National AML Statistics Management System
NeST	National e-procurement System of Tanzania
NFRA	National Food Reserve Agency
NICTBB	National Information and Communication Technologies Broadband Backbone
NIDC	National Internet Data Centre
OTT	Over-The-Top
PBPA	Petroleum Bulk Procurement Agency
PO-PSM	President's Office - Public Service Management
PO-RALG	President's Office - Regional Administration and Local Government
PPA	Public Procurement Act
PPAA	Public Procurement Appeals Authority
PPPD	Public Procurement Policy Division
PPR	Public Procurement Regulations
PPRA	Public Procurement Regulatory Authority
PSPTB	Procurement and Supplies Professional and Technician Board
RTM	Remote Temperature Monitoring
RTMD	Remote Temperature Monitoring Devices
SDL	Skills Development Levy
SDM	Service Delivery Management
STR	Suspicious Transactions Report
TANIPAC	Tanzania Initiatives for Preventing Aflatoxin Contamination
TC	Town Council
TCPD	Teachers' Continuous Professional Development
TFC	Tanzania Fertilizer Company
TPC	Tanzania Postal Corporation
TRC	Teachers' Resource Center
TREECO	TARURA Engineering and Environmental Consultants
TTCL	Tanzania Telecommunications Corporations Limited
TTMS	Tele-Traffic Monitoring System
TVET	Technical and Vocational Education Training
TVI	Tanzania Vaccine Institute
TVLA	Tanzania Veterinary Laboratory Agency
UNCAC	United Nations Convention Against Corruption
UWASA	Urban Water Supply and Sanitation Authority
VET	Vocation Education and Training

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EXECUTIVE SUMMARY

Introduction

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 Entities have utilized the available resources to carry out their responsibilities regarding economy, efficiency, and effectiveness.

Follow-up of the recommendations from the Performance Audit conducted by the Controller and Auditor General (CAG) is a necessary process for ensuring that recommendations are addressed and the citizens receive the appropriate feedback on the Value-for-Money of various programmes and activities conducted by Ministries, Departments and Agencies (MDAs).

The main objective of the follow-up was to assess how the Audited Entities have implemented the recommendations issued by the Controller and Auditor General and evaluate the perceived impact of implementing the issued performance audit recommendations. Specifically, follow-up and impact assessment examine the corrective measures taken by the Audited Entities on the recommendations issued by the governance systems and reporting arrangements for monitoring the level of implementation of the performance audit recommendations issued by the Controller and Auditor General and being able to assess the impact that was brought through implementing the corrective actions.

Therefore, this report presents the results of the follow-ups on implementing the recommendations from twelve (12) Performance Audit Reports tabled to the Parliament in April 2020. The issued recommendations were from the following Performance Audit Reports:

(a) Supervision of the Construction of Warehouses and Storage Silos Complexes Projects;
(b) Quality of Executed Bitumen Surfaced Road Works in Urban Areas;
(c) Management of Revenue Collection from the Telecommunication Services Providers;
(d) Access to Quality Vocational Education and Training;
(e) Management of Immunization and Vaccination Project Activities;

(f) Maintenance of Accessibility and Reliability of Electric Supply Services;

(g) Management of Provision of Capacity Building to In-service Teachers;

(h) Implementation of National Initiatives to Combat Money Laundering;

(i) Prevention and Control of Livestock Diseases;

(j) Revenue Collections from Own Sources in LGAs;

(k) Monitoring and Enforcement of Public Procurement Activities; and

(l) Implementation of African Union and United Nations Conventions Against Corruption in Public Procurement.

Results of the Follow-ups and Impact Assessments

19% of the Issued Audit Recommendations Were Not Implemented

According to follow-up results, as of December 2023, it was noted that out of one hundred thirty-seven (137) recommendations, thirty (30) recommendations (22%) were fully implemented, seventy-nine (79) recommendations (58%) were partially implemented, twenty-six (26) recommendations (19%) were not implemented, and two (2) recommendations (1%) were overtaken by events. **Table 1** summarizes the implementation status of the issued performance audit recommendations to various Audited Entities categorized as fully, partially, not implemented and overtaken by events.

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Table 1: Status of Implementation of the Issued Recommendations to Various Audited Entities

Audited Entity	Status of Implementation				
	No. of Issued Recommendations	Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Ministry of Agriculture	8	0	4	4	0
National Food Reserve Agency (NFRA)	7	0	0	7	0
President's Office-Regional Administration and Local Government (PO-RALG)	26	7	14	5	0
Tanzania Rural and Urban Road Agency (TARURA)	6	1	3	2	0
Ministry of Information, Communication and Information Technology (MICIT)	3	0	2	1	0
Tanzania Communications Regulatory Authority (TCRA)	4	0	4	0	0
Tanzania Revenue Authority (TRA)	8	0	5	3	0
Ministry of Education, Science and Technology (MoEST)	13	3	9	1	0
Vocational Education and Training Authority (VETA)	6	1	2	1	2
Ministry of Health (MoH)	10	0	9	1	0
Ministry of Energy (MoE)	1	0	1	0	0
Tanzania Electric Supply Company (TANESCO)	6	5	1	0	0
Energy and Water Utilities Regulatory Authority (EWURA)	2	1	1	0	0
Ministry of Finance (MoF)	13	4	8	1	0
Financial Intelligence Unit (FIU)	7	4	3	0	0
National Multi-disciplinary Committee on Anti-Money Laundering (NAMLC)	4	3	1	0	0
Ministry of Livestock and Fisheries	7	0	7	0	0
Public Procurement Regulatory Authority (PPRA)	6	1	5	0	0
Total	137	30	79	26	2

Source: *Auditors' Analysis of the Responses from the Audited Entities (2023)*

109 out of 137 (equivalent to 80%) of issued Recommendations were either Fully or Partially Implemented

In total, there were one hundred thirty-seven (137) recommendations, of which thirty (30) were fully implemented and seventy-nine (79) were partially implemented. This, in total, represents 80% of the one hundred thirty-seven (137) recommendations issued.

Majority of the Fully or Partially Implemented Recommendations fall under the Implementation Category

It was noted that a large number of recommendations that were either fully or partially implemented were in the Implementation/Execution category (thirty-seven (37) recommendations). It is also demonstrated that a large number of recommendations that were not implemented were in the planning category (eleven (11) recommendations). Similarly, the Development category included a large number of recommendations that were fully implemented (nine (9) recommendations). **Table 2** provides details on the implementation status of the recommendations by recommendation categories.

Table 2: Overall Status of Implementation by Recommendation Category

Recommendation Category	Number of Issued Recommendations	Status of Implementation			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	29	4	14	11	0
Implementation/ Execution	45	5	32	7	1
Monitoring and Evaluation	23	7	13	2	1
Coordination	12	5	5	2	0
Development	28	9	15	4	0
Total	**137**	**30**	**79**	**26**	**2**

Source: *Auditors' Analysis of the Responses from the Audited Entities (2023)*

A summary of the extent to which the recommendations from each audit report were implemented is provided as follows:

(a) Supervision of the Construction of Warehouses and Storage Silos Complexes Projects

A total of fifteen (15) recommendations were issued in this performance audit; eight (8) were directed to the Ministry of Agriculture (MoA) and seven (7) to the National Food Reserve Agency (NFRA). The overall follow-up results indicated that four (4) of all fifteen (15) issued recommendations were partially implemented, and eleven (11) were not implemented.

(b) Quality of Executed Bitumen Surfaced Road Works in Urban Areas

Nine (9) recommendations were issued in this performance audit: six (6) were directed to the Tanzania Rural and Urban Roads Agency (TARURA), and three (3) were directed to the President's Office – Regional Administration and Local Government (PO-RALG). The overall follow-up results indicated that, of all issued recommendations, one (1) was fully implemented, four (4) were partially implemented, and four (4) were not implemented.

(c) Management of Revenue Collection from the Telecommunication Services Providers

A total of fifteen (15) recommendations were issued in this performance audit: four (4) recommendations were directed to the Tanzania Communications Regulatory Authority (TCRA), eight (8) recommendations were directed to the Tanzania Revenue Authority (TRA), and three (3)

recommendations were directed to the Ministry of Information, Communication and Information Technology (MICIT). The overall follow-up results indicated that, of all issued recommendations, eleven (11) recommendations were partially implemented, and four (4) recommendations were not implemented.

(d) Access to Quality Vocational Education and Training

A total of twelve (12) recommendations were issued in this performance audit; six (6) were directed to the Ministry of Education, Science and Technology (MoEST), and six (6) to the Vocational Education and Training Authority (VETA). The overall follow-up results indicated that three (3) of all issued recommendations were fully implemented, five (5) recommendations were partially implemented, two (2) were not implemented, and the event overtook two (2) recommendations.

(e) Management of Immunization and Vaccination Project Activities

A total of eleven (11) recommendations were issued in this performance audit; ten (10) were directed to the Ministry of Health (MoH), and one (1) was directed to the President's Office - Regional Administration and Local Government (PO-RALG). The overall follow-up results indicated that, of all issued recommendations, ten (10) recommendations were partially implemented, and one (1) recommendation was not implemented.

(f) Maintenance of Accessibility and Reliability of Electric Supply Services

A total of nine (9) recommendations were issued in this performance audit: one (1) recommendation was directed to the Ministry of Energy (MoE), two (2) recommendations were directed to the Energy and Water Utilities Regulatory Authority (EWURA), and six (6) recommendations were directed to Tanzania Electric Supply Company (TANESCO). The overall follow-up results indicated that six (6) issued recommendations were fully implemented, and three (3) were partially implemented.

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(g) Management of Provision of Capacity Building to In-service Teachers

A total of twelve (12) recommendations were issued in this performance audit; seven (7) were directed to the Ministry of Education, Science and Technology (MoEST) and five (5) to the President's Office – Regional Administration and Local Government (PO-RALG). The overall follow-up results indicated that five (5) of all issued recommendations were fully implemented, and seven (7) were partially implemented.

(h) Implementation of National Initiatives to Combat Money Laundering

A total of twelve (12) recommendations were issued in this performance audit: one (1) recommendation was directed to the Ministry of Finance (MoF), seven (7) recommendations were directed to the Financial Intelligence Unit (FIU), and four (4) recommendations were directed to the National Multi-Disciplinary Committee on Anti-Money Laundering (NAMLC). The overall follow-up results indicated that seven (7) of all issued recommendations were fully implemented, and five (5) were partially implemented.

(i) Prevention and Control of Livestock Diseases

A total of fourteen (14) recommendations were issued in this performance audit: seven (7) to the Ministry of Livestock and Fisheries (MoLF) and seven (7) to the President's Office – Regional Administration and Local Government (PO-RALG). The overall follow-up results indicated that, of all issued recommendations, twelve (12) recommendations were partially implemented, and two (2) were not implemented.

(j) Revenue Collections from Own Sources in LGAs

A total of ten (10) recommendations were issued in this performance audit, and all were directed to the President's Office – Regional Administration and Local Government (PO-RALG). The overall follow-up results indicated that, of all issued recommendations, four (4) were fully implemented, five (5) were partially implemented, and one (1) was not implemented.

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(k) Monitoring and Enforcement of Public Procurement Activities

A total of twelve (12) recommendations were issued in this performance audit; six (6) were directed to the Ministry of Finance (MoF), and six (6) were directed to the Public Procurement Regulatory Authority (PPRA). The overall follow-up results indicated that three (3) of all issued recommendations were fully implemented, and nine (9) were partially implemented.

(l) Implementation of African Union and United Nations Conventions Against Corruption in Public Procurement

A total of six (6) recommendations were issued in this performance audit, and they were all directed to the Ministry of Finance (MoF). The overall follow-up results indicated that, of all issued recommendations, two (2) were fully implemented, three (3) were partially implemented, and one (1) was not implemented.

Reasons for Insufficient Implementation of the Issued Audit Recommendations

Considering the preceding observations, the audit assessed the reasons behind the incomplete implementation of the issued audit recommendations, uncovering that this was due to the following factors:

Absence of Unit or Section Responsible for Overseeing the Implementation of Recommendations

It was noted that with the exception of the President's Office - Regional Administration and Local Government (PO-RALG), none of the Audited Entities in this follow-up had a specific section or department in charge of overseeing and monitoring the implementation of the provided audit recommendations. This implies that even after being presented with these recommendations, the top management did not assign anyone to be responsible for ensuring their thorough implementation.

Inadequate Involvement of Top Management and Audit Committees in the Monitoring of Implementation of Audit Recommendations

Through interviews with officials, it became apparent that there was a lack of evident coordination within the entities. Moreover, there were no documented records or minutes indicating the discussion or status of the implementation of the audit recommendations issued by the top management of the audit committees.

As a result, considerable time was required for the entities to furnish responses concerning the implementation status of the recommendations, as the designated contact persons needed time to identify the responsible Section, Department, or staff.

Absence of Reporting Mechanism for the Performance Audit Recommendations

The mechanisms for reporting the implementation status of recommendations were deemed insufficient. It was noted that the audited entities were deficient in establishing robust reporting mechanisms to communicate the implementation status of the provided recommendations.

This suggests that the audited entities made minimal efforts to provide further reports on the implementation status of the recommendations within their organizations.

Lack of Detailed Plan for Implementation of Audit Recommendations

Yet, from the interviews held with Officials representing the audited entities, it became apparent that these entities lacked a comprehensive plan outlining the implementation of the issued recommendations. Additionally, it was disclosed that beyond the initial plans devised during the exit meetings, the audited entities had not developed any subsequent plans to offer further guidance or assign responsibilities to specific units for monitoring the progress of recommendation implementation. There was no clear individual held accountable for this oversight.

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Inadequate Coordination and Communication on the Implementation of Issued Recommendations

The follow-up team observed that the Internal Audit function within the Ministries, Departments and Agencies (MDAs) covered by this follow-up was equally unaware of issues regarding implementing performance audit recommendations. However, this was discovered during the entry meeting when the management of NAOT introduced the follow-up assignment.

Absence of Recommendation Registers

The audit noted that the reason for not preparing the implementation status report was the lack of recommendation registers to capture all performance audit recommendations that are issued to respective MDAs.

The lack of recommendation registers within the Ministries, Departments and Agencies (MDAs) largely made it difficult for these institutions to respond and provide answers on time on the status of implementation of the audit recommendations. This was evidenced by the fact that even when letters were issued requesting them to provide the status of implementation of the audit recommendations, they had no records in their offices; thus, they requested the Performance Audit Reports from NAOT.

Lack of Monitoring Plans and Key Performance Indicators

It was observed that the monitoring system was deficient in monitoring plans and performance indicators essential for evaluating the extent of implementation of the provided recommendations. The entities lacked designated focal persons or sections responsible for leading and tracking the status of implementation of the previously issued performance audit recommendations.

Conclusion

The overall conclusion of this follow-up is that the actions taken by the Audited Entities in response to the previously issued performance audit recommendations have partially addressed the issues to which the recommendations were made. Generally, the follow-up results indicate that nearly a quarter of the issued recommendations were not implemented.

The results of the follow-up revealed that various factors, including insufficient governance structures within the audited entities, a lack of clearly defined roles and reporting structures within these entities, and the inappropriateness of the processes and systems for monitoring implementation of the issued recommendations within the audited entities, are the main causes of insufficient implementation of the issued recommendations.

Furthermore, it is observed that the Audited Entities are still operating without designated departments or personnel in charge of coordinating and ensuring the implementation of the recommendations that have been issued. These entities also lack comprehensive plans that would guarantee the implementation of the issued recommendations. In general, these factors were observed to contribute to the insufficient implementation of the audit recommendations.

Recommendations

The Prime Minister's Office is urged to ensure that all Ministries, Independent Departments, Agencies and Local Government Authorities:

1. Establish sound governance structures and mechanisms for tracking and monitoring the implementation of Audit recommendations;

2. Prepare action plans stating how the Audited Entity will ensure that the partially and not implemented recommendations are addressed on a timely basis;

3. Ensure that the submitted Performance Audit Reports are effectively disseminated to the responsible Divisions or Departments within the Audited Entities and explain what they are out to do. Where possible, the Reports should also be communicated to existing governance systems such as Internal Audit, Audit Committee for proper follow-up and actions; and

4. Establish monitoring mechanisms or tracking systems to ensure the implementation status of all issued audit recommendations is regularly checked and reported in a timely manner to the management of the audited entities for necessary actions.

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CHAPTER ONE

INTRODUCTION

1.1 Background

Performance audits provide objective and constructive assessments of the extent to which the Audited Entities have utilized their resources to carry out their responsibilities regarding economy, efficiency, and effectiveness.

The Controller and Auditor General (CAG) has been conducting several performance audits and issued recommendations that, if implemented, can assist in improving the performance of government entities and ensure that public resources are economically, efficiently, and effectively managed and utilized.

Regulation 77(5) of the Public Audit Regulations, 2009 [GN No. 47/2009] mandates the Controller and Auditor General to conduct follow-ups on the recommendations issued to the government entities by conducting performance audits. In this regard, CAG conducted a follow-up to determine the levels of implementation for the recommendations from twelve (12) performance audit reports, namely:

1) Supervision of the Construction of Warehouses and Storage Silos Complexes Projects;
2) Quality of Executed Bitumen Surfaced Road Works in Urban Areas;
3) Management of Revenue Collection from the Telecommunication Services Providers;
4) Access to Quality Vocational Education and Training;
5) Management of Immunization and Vaccination Project Activities;
6) Maintenance of Accessibility and Reliability of Electric Supply Services;
7) Management of Provision of Capacity Building to In-service Teachers;
8) Implementation of National Initiatives to Combat Money Laundering;
9) Prevention and Control of Livestock Diseases;
10) Revenue Collections from Own Sources in LGAs;
11) Monitoring and Enforcement of Public Procurement Activities; and
12) Implementation of African Union and United Nations Conventions Against Corruption in Public Procurement.

1.2 Rationale for Follow-Up and Impact Assessment on the Implementation of Audit Recommendations

Rationale for Follow-Up on the Implementation of Audit Recommendations

Follow-ups are conducted to provide stakeholders (Members of Parliament and the Government of the United Republic of Tanzania media, CSOs, and Development Partners) with the analysis of the progress made by the Audited Entities concerning the implementation of recommendations issued in the performance audit reports tabled and adopted by Parliament. Normally, this is done to report the level of implementation of the issued audit recommendations to Parliament.

Follow-ups on the implementation of the audit recommendations enable CAG to provide the necessary independent assurance to the Parliament concerning the implementation status of the issued recommendations in different areas. Therefore, follow-up on the implementation of the audit recommendations examines the identified problems in the respective areas and establishes whether allocated resources have been spent with due regard to the economy, efficiency, and effectiveness as intended and as approved by the Parliament.

Rationale for Conducting Impact Assessment for the Implemented Recommendations

Impact assessment for the implemented recommendations is to know what has changed and what worked well regarding government undertakings, activities, and programs following the implementation of the issued audit recommendations. The impact assessment also provides evidence on whether value-for-money has been attained on a program or activity.

1.3 Design of the Follow-Ups on the Implementation of Audit Recommendations and Impact Assessment

(i) Main Objective of the Follow-Up

The main objective of the follow-up is to assess how the Audited Entities have implemented the Controller and Auditor General's recommendations. Specifically, the objectives of follow-up are to:

(a) Examine corrective measures taken by the Audited Entities through the implementation of the recommendations issued by CAG;

(b) Assess the governance systems for monitoring CAG's performance audit recommendations; and

(c) Examine reporting arrangements on implementing the performance audit recommendations issued by CAG.

(ii) Main Objective of the Impact Assessment on Implementation of Audit Recommendations

The main objective of the impact assessment on the implemented audit recommendations is to enable the Controller and Auditor General (CAG) to ascertain the impact of the Performance Audit on improving service delivery and provide evidence of value for money brought by the audit. Specifically, it aims to assess the impact of the implemented issued audit recommendations.

Scope of the Follow-up and Impact Assessment

The follow-up covered one hundred thirty-seven (137) recommendations issued in twelve (12) performance audit reports implemented by seventeen (17) Audited Entities. These twelve (12) Performance Audits were the ones whose reports were tabled before the Parliament in 2020, as described in **Table 1.1**.

Table 1.1: List of Audit Reports whose Recommendations were Followed-Up

Performance Audit Report	Audited Entities	Total Number of Performance Audit Recommendations
Supervision of the Construction of Warehouses and Storage Silos Complexes Projects	• Ministry of Agriculture (MoA) • National Food Reserve Agency (NFRA)	15
Quality of Executed Bitumen Surfaced Road Works in Urban Areas	• President's Office-Regional Administration and Local Government (PO-RALG) • Tanzania Rural and Urban Road Agency (TARURA)	9
Management of Revenue Collection from the Telecommunication Services Providers	• Ministry of Works, Transport and Communications (MoWTC) • Tanzania Communications Regulatory Authority (TCRA) • Tanzania Revenue Authority (TRA)	15
Access to Quality Vocational Education and Training	• Ministry of Education, Science and Technology (MoEST) • Vocational Education and Training Authority (VETA)	12
Management of Immunization and Vaccination Project Activities	• Ministry of Health (MoH) • President's Office-Regional Administration and Local Government (PO-RALG)	11
Maintenance of Accessibility and Reliability of Electric Supply Services	• Ministry of Energy (MoE) • Tanzania Electric Supply Company (TANESCO) • Energy and Water Utilities Regulatory Authority (EWURA)	9
Management of Provision of Capacity Building to In-Service Teachers	• Ministry of Education, Science and Technology (MoEST) • President's Office-Regional Administration and Local Government (PO-RALG)	12
Implementation of National Initiatives to Combat Money Laundering	• Ministry of Finance (MoF) • Financial Intelligence Unit (FIU)	12
Prevention and Control of Livestock Diseases	• Ministry of Livestock and Fisheries (MoLF) • President's Office - Regional Administration and Local Government (PO-RALG)	14

Performance Audit Report	Audited Entities	Total Number of Performance Audit Recommendations
Revenue Collections from Own Sources in Local Government Authorities (LGAs)	• President's Office - Regional Administration and Local Government (PO-RALG)	10
Monitoring and Enforcement of Public Procurement Activities	• Ministry of Finance (MoF) • Public Procurement Regulatory Authority (PPRA)	12
Implementation of African Union and United Nations Conventions Against Corruption in Public Procurement	• Ministry of Finance (MoF) • Public Procurement Regulatory Authority (PPRA)	6

Source: *Performance Audit Reports Tabled to the Parliament in 2020*

The follow-up of the recommendations issued from the Tabled Performance Audits is confined to reviewing recommendations detailed in the original performance audit reports mentioned in **Table 1.1** and their respective responses, commitments, and implementation status. Additionally, the impact assessment focused on the fully and partially implemented performance audit recommendations in the respective Audited Entities involved in the Performance Audits.

1.4 Processes for conducting Follow-Up in the Implementation of the Issued Audit Recommendations and Impact Assessment

The follow-up and impact assessment on the implementation of the audit recommendations were conducted through the following stages, as shown in **Figure 1.1**

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Figure 1.1: Process flow for Conducting Follow-Up and Impact Assessments

Follow-Up	Impact Assessment
Sending letters to the Audited Entities requesting for the implementation status of the issued performance audit recommendations	Collection, examination, and evaluation of evidence to support the perceived impact(s) following the implementation of the issued recommendation(s)
Review of the implementation status responses with their corresponding supporting evidence from the Audited Entities	Conduct of physical verification to monitor a process (es) or situations that are being assessed as they occur
Developing a Matrix for the implementation status of the issued recommendations by consolidating all received responses for each specific audit	Analysis and interpretation of the collected information
Submission of the Verification Letters including a matrix on the implementation status of the issued performance audit recommendations with auditors' comments to the Audited Entities for their review	Deciding on the key findings regarding the assessed impact(s) from the implemented recommendation(s)
Verification and factual clearance on the responses	Verification and factual clearance of the perceived impact(s)
Developing a follow-up report on the implementation status of the issued performance audit recommendations	Developing the final report on the perceived impact(s) based on the implemented performance audit recommendations

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1.5 Methods for Data Collection and Analysis

(a) Methods for Data Collection

Both qualitative and quantitative data were collected to provide robust evidence and data on the level of implementation of the issued audit recommendations and assess the perceived impacts of the fully implemented audit recommendations. The data evidence utilized for the impact assessment and follow-up was gathered through interviews, document reviews and physical verifications, as detailed below:

Interviews

Staff from the Audited Entities were interviewed to understand the procedures better and clarify matters regarding the implementation status of the issued recommendations. Additionally, the interviews aimed to ascertain the perceived impacts of the identified performance audit reports. These interviews aimed to get verbal responses regarding the actions taken to guarantee the implementation of the issued performance audit recommendations.

Document Reviews

The document reviews provided the basis for verifying the planned actions to ensure full implementation of the issued performance audit recommendations. This also entails verification of the initiatives in place and the remedial actions done thus far to address each of the issued audit recommendations. Similarly, document reviews were carried out to verify the reported impacts after implementing the issued recommendations.

Physical Verifications

Visits were made to different Audited Entities, Regional Secretariats, and LGAs to assess the level of implementation of the issued performance audit recommendations and ascertain their availability and functioning. This also aims to verify the processes or existing situations through actual physical observation to assess the perceived impacts. **Appendix 1** provides the list of areas visited for verification purposes.

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(b) Method of Data Analysis

The collected evidence and data were examined and evaluated to confirm the reported implementation status of the given recommendations using qualitative and quantitative methods of data analysis. Their relevance was cross-checked against the planned actions and milestones provided by the relevant Audited Entities. Similarly, the overall assessment of the implementation status was summarized using tables and charts.

1.6 Criteria for Ranking the Level of Implementation of Recommendations

Implementation of the issued recommendations was measured using levels and clarification of recommendations as described below:

Assessment Details	Status of Implementation
When the audited entity provides sufficient and appropriate evidence to support all elements of the recommendation	*Fully Implemented Recommendation*
When the audited entity provides some evidence which supports the implementation, not all elements of the recommendation are addressed.	*Partially Implemented Recommendation*
When an audited entity provides most of the required evidence to support implementation of the recommendations that have been done within the required/acceptable time duration	*Partially-Satisfactory Recommendation*
When the Audited Entity provides evidence that shows only preliminary measurable steps have been taken to address the recommendation or when only a few elements of the evidence have been issued.	*Partially-Not Satisfactory Recommendation*
When the audited entity provides evidence that does not support the meaningful movement towards implementation of a recommendation, or no evidence is provided, where implementation might take time, and it is in the process. Still, there is nothing that can be measured.	*Not Implemented Recommendation*
When the recommendation made has been overtaken by other circumstances which are likely to make the recommendation irrelevant or to have less impact at that particular time	*Recommendation Overtaken by Event*

To analyze the level of implementation, the classification of each of the issued recommendations was made based on the following:

- Nature of audit recommendation; and
- A length of time is needed to implement the issued recommendation.

The nature of the audit involved analyzing the issues that the concerned recommendation was all about. These include planning, budgeting, implementation, monitoring and evaluation, performance measurement, coordination, policy-making, etc.

The time needed to implement the issued recommendation to its completion was also used as another criterion.

Figure 1.2 provides three categories to classify the implementation levels and the duration required for implementing the issued performance audit recommendations.

Figure 1.2: Classification of Recommendations Relating to Time

Short-Term Recommendations

Recommendations that take less than six (6) months to be fully implemented. These are recommendations that do not need much time and budget to implement.

Medium-Term Recommendations

Recommendations that take between six (6) and eighteen (18) months to be fully implemented. These are recommendations that require considerable time and budget.

Long-Term Recommendations

Recommendations that take between eighteen (18) and thirty-six (36) months to be fully implemented. These are recommendations that need enough time and budget to implement. Similarly, these recommendations involve seeking approvals from higher

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authorities to the audited entities or developing various guides or implementation policies.

1.7 Data Validation

The draft results of the follow-up and impact assessment were shared with the relevant Audited Entities, and comments were made on the accuracy and correctness of the information provided. Furthermore, the correctness of the information provided was verified.

1.8 Standards Used for the Follow-Up and Impact Assessment

The International Standards of Supreme Audit Institutions guided the follow-up work on performance auditing. ISSAI 300:42 provides principles of performance audit, and specifically, ISSAI 3000/136-141 provides the needs and guidelines on conducting follow-up audits. The standards require the follow-up audits to be planned and performed to enable the auditors to obtain sufficient and appropriate evidence to serve as the basis for reporting the outcomes of the issued recommendations and providing feedback to legislatures, executives, stakeholders and the public.

It also requires that the results of the follow-up audits are appropriately reported to provide feedback to the Parliament on the level of implementation and corrective actions to be taken where relevant. Similarly, the regional[1] guidelines for objectivity, reliability, comparability, timeliness, and sustainability, as well as the International Standards for Measuring the Impact of the Performance Audit Reports, were followed to assess the impact of the implemented audit recommendations.

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[1] African Organization of English-Speaking Supreme Audit Institutions (AFROSAI-E)

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1.9 Structure of the Report

The following sections comprise the fifteen (15) chapters that make up this report, as elaborated below:

CHAPTER-1

Provides Introduction about follow up of previously issued recommendations, Objective of follow - up and the methodology

CHAPTER-2

Provides Status of Implementation – PA on Supervision of the Construction of Warehouses and Storage Silos Complexes Projects

CHAPTER-3

Provides Status of Implementation – PA on Quality of Executed Bitumen Surfaced Road Works in Urban Areas

CHAPTER-4

Provides Status of Implementation – PA on Management of Revenue Collection from the Telecommunication Services Providers

CHAPTER-5

Provides Status of Implementation – PA on Access to Quality Vocational Education and Training

CHAPTER-6

Provides Status of Implementation – PA on Management of Immunization and Vaccination Project Activities

CHAPTER-7

Provides Status of Implementation – PA on Maintenance of Accessibility and Reliability of Electric Supply Services

CHAPTER-8

Provides Status of Implementation – PA on Management of Provision of Capacity Building to In-Service Teachers

CHAPTER-9

Provides Status of Implementation – PA on Implementation of National Initiatives to Combat Money Laundering

CHAPTER-10

Provides Status of Implementation – PA on Prevention and Control of Livestock Diseases

CHAPTER-11

Provides Status for PA on Revenue Collections from Own Sources in LGAs

CHAPTER-12

Provides Status of Implementation – PA on Monitoring and Enforcement of Public Procurement Activities

CHAPTER-13

Provides Status of Implementation – PA on Implementation of African Union and United Nations Conventions Against Corruption in Public Procurement

CHAPTER-14

Provides details on Governance Arrangements for the Implementation of Performance Audit Recommendations

CHAPTER-15

Provides details on Conclusion and Recommendations

CHAPTER TWO

FOLLOW-UP AND IMPACT ASSESSMENT ON THE IMPLEMENTATION OF PERFORMANCE AUDIT RECOMMENDATIONS ON SUPERVISION OF THE CONSTRUCTION OF WAREHOUSES AND STORAGE SILOS COMPLEXES

2.1 Background to the Audit

The Performance Audit Report on the Supervision of Construction of Warehouses and Storage Silo Complex was tabled to the Parliament of the United Republic of Tanzania in March 2020.

The Overall Audit Objective was to determine whether the Ministry of Agriculture (MoA), through the Project Implementation Team and National Food Reserve Agency (NFRA), effectively supervised the construction of warehouses and silo complexes executed under Expanding Rice Production Project (ERPP) and Storage Capacity Projects to expand grain storage.

The audit specifically assessed to what extent the Ministry of Agriculture (MoA) and NFRA supervised the planning, procurement processes and construction of warehouses and storage silo complex to ensure the required specifications, cost, and completion time were met. Furthermore, the Audit assessed whether the Ministry of Agriculture and the Ministry of Finance effectively supervise the flow of funds to implementers to facilitate the smooth construction of warehouses and silo complexes.

2.2 Audit Scope

The audit assessed the supervision activities on the construction of warehouses and silo complexes implemented under ERRP and Storage Expansion Capacity Projects implemented by NFRA. Specifically, the audit assessed aspects of planning activities such as budgeting, feasibility studies and designing, and procurement and contract administration to ensure the project is completed within the required time and quality and without cost overrun. Likewise, the audit assessed fund flow to ensure the smooth implementation of construction activities. Lastly, the audit assessed supervision during construction to meet the required specifications, cost and time.

The coverage of the audit encompassed a period of four (4) financial years from 2015/16 to 2018/19. The selected period allowed auditors to conduct an in-depth review and analysis to establish trends of performance in the supervision of the projects. The regions with projects that were covered in this audit include Manyara, Dodoma, Shinyanga, Njombe, Songwe, and Rukwa.

2.3 Main Audit Findings

(a) Planning for the Construction of Warehouses and Storage Silo Complex Projects was not Adequately Conducted

Mismatch of Some Items in the Feasibility Study Reports and Project Appraisal Document

The budget proposed in the Feasibility Study Report for the construction of the Silo Complex and Warehouses under the Storage Expansion Capacity Project was USD 128 million. In contrast, the Project Appraisal Document proposed a budget of USD 55 million. It was further noted that the scope of work in the proposed budget of USD 55 million was wide in terms of the number of structures compared to the scope of work of USD 128 million. Furthermore, the feasibility study proposed a total construction storage capacity of 160,000 Metric Tons. In comparison, the appraisal document proposed a construction storage capacity of 190,000 Metric Tons, thus marking an increased difference of 30,000 Metric tons.

Huge Budget Deviation between the Program Appraisal Document and the Actual Budget

There were budget deviations of more than 63 per cent in four (4) warehouses of Mbogo Komtonga, Kigugu, Njage and Mvumi. Inadequate budget allocation was caused by inadequate needs assessment and poor formulation of the Project Appraisal Document. This resulted in reviewing the project objectives and reallocating funds for other project components to suit the reality of the situation and eventually make the project implementable. In addition to that, the Project Manual was not aligned with the Project Appraisal Document. Due to this difference, the commencement of the construction activities was delayed for an average of five hundred sixty-six (566) days.

Projects were Implemented without thorough Feasibility Studies

Four (4) out of five (5) reviewed Feasibility Reports of the warehouse projects executed under ERPP had problems with their feasibility studies. Aspects that showed Feasibility Studies were not adequately conducted, including the construction of warehouses in high water tables, swampy areas, and along water streams. It was also noted that these challenges were pointed out while the construction had begun.

(b) Delay in Payments to Contractors

Although the Contractors were supposed to be paid immediately after the approval of payment certificates, the Ministry of Agriculture (MoA) and NFRA failed to enhance timely payments to Contractors. It was noted that about thirteen (13) out of nineteen (19) IPCs (68 per cent) in the Warehouses Construction Project under ERPP were not paid on time. Furthermore, three-quarters (75 per cent) of all IPCs raised by Package A Contractor were delayed for at least one month. Likewise, Package B experienced a maximum delay of half a year. However, about six (6) out of nineteen (19) IPCs (32%) in the Warehouses Construction Project under ERPP were paid on time. On the other hand, it was noted that thirteen (13) out of nineteen (19) IPCs (68 per cent) had delays ranging from one (1) to sixty-seven (67) days. Consequently, delays in payments adversely affected services to the project beneficiaries since no construction site was completed at the moment.

(c) Inadequate Adherence to Procurement Procedures

Inadequate procurement procedures were observed in various aspects during project implementation. This audit identified issues of inadequate budgeting to pay the Project Manager and award consultancy contracts to non-recommended Project Managers. It recommended the award of multiple contracts to one contractor without conducting thorough due diligence.

For example, NFRA did not budget for the assessment at the time of engagement commencement. Tanzania Building Agency (TBA) was engaged to provide consultancy services for the construction of a storage metal silo complex at a contract sum of TZS 4.2 billion. This resulted in the implementation of the project without being supervised by a project manager for the first four (4) months. On the other hand, the evaluation team awarded two contracts to M/s. Humphrey Construction Ltd, despite

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having submitted the same equipment and staff for the two contracts. In addition to that, this audit noted that all five (5) warehouse projects and all five (5) reviewed storage silo complex projects were constructed with expired performance Bank Guarantee. It was noted that the Performance Bank Guarantee for Package A contractor expired on 31 December 2018. At the time of this report, the project has operated for more than fourteen (14) months without being secured.

(d) Inadequate Time Control for the Constructed Warehouses and Storage Silo Complex

It was noted that all five (5) constructed projects under ERPP were delayed in completion. Up to the time of this report, none of the Warehouse Projects had been completed. It was indicated that the average delay was one hundred forty-seven (147) days, whereas all the projects were more than four (4) months overdue. It was further noted that four (4) out of five (5) warehouses were delayed for more than 130 days. It was further noted that two (2) out of five (5) warehouses were delayed for more than five (5) months. The Njage warehouse construction project had the longest delay, one hundred sixty-seven (167) days, while the Msolwa-Ujamaa project had the shortest delay, one hundred thirty-one (131) days. On the other hand, all five (5) reviewed projects for the storage expansion capacity extended from ninety-two (92) to five hundred forty-seven (547) days.

2.4 Overall Audit Conclusion

It is concluded that the Ministry of Agriculture (MoA) and NFRA did not effectively manage the Supervision of the Construction of Warehouses and Storage Silo Complex to ensure the availability of proper grain storage facilities to farmers and other intended users. Construction planning activities were inefficiently conducted as there were weaknesses in the prepared Project Appraisal Document, designs and feasibility study. This caused a prolonged time to start construction activities which also resulted in significant delays in the completion of the warehouses and storage silo complex.

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

This part presents the implementation status of issued recommendations to the Ministry of Agriculture (MoA) and the National Food Reserve Agency (NFRA) on the performance audit on the Supervision of the Construction of Warehouses and Storage Silos Complexes.

The implementation of the issued recommendations was measured using four (4) levels in the classification of recommendations, namely, *fully implemented recommendations, partially implemented recommendations, not implemented recommendations,* and *overtaken by event recommendations*. The subsequent subsections provide an explanation of the status of the implementation of the issued audit recommendations.

2.5.1 Overall Implementation of Issued Recommendations

A total of fifteen (15) recommendations were issued in this performance audit; eight (8) were directed to the Ministry of Agriculture (MoA), and seven (7) were directed to NFRA. The overall follow-up results on implementing the issued audit recommendations indicated that out of fifteen (15) recommendations, four (4) were partially implemented, and eleven (11) were not implemented. **Table 2.1** details the implementation level for the two (2) audited entities.

Table 2.1: Level of Implementation of Recommendations by Audited Entities

Audited Entity	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
MoA	8	0	4	4	0
NFRA	7	0	0	7	0
Total	**15**	**0**	**4**	**11**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 2.1 shows that, out of eight (8) issued recommendations to MoA, none of them were fully implemented, four (4) were partially implemented, and four (4) were not implemented. Similarly, it is indicated that out of seven (7) recommendations issued to NFRA, none of them were either fully or partially implemented.

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Further analysis of the issued recommendations for each category was made based on the four (4) implementation levels: fully, partially, not implemented, and overtaken by event. **Table 2.2** provides the level of implementation for all issued recommendations based on these categories.

Table 2.2: Level of Implementation of Recommendations by Category of Recommendation

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	11	0	3	8	0
Implementation/ Execution	2	0	1	1	0
Coordination	2	0	0	2	0
Total	**15**	0	**4**	**11**	0

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 2.2 shows that eleven (11) out of the fifteen (15) issued recommendations were in the planning category. The next observed categories were execution and coordination, which contained two (2) recommendations each, equivalent to 27% of all issued recommendations to MoA and NFRA.

2.5.2 Results of Follow-Up of Implementation of Issued Recommendations to MoA

This section provides details on the implementation status of the issued recommendations to the Ministry of Agriculture (MoA). A total of eight (8) recommendations were issued to MoA. All eight (8) recommendations were not fully implemented. **Table 2.3** provides a summary of the implementation status of the recommendations issued to MoA by category of recommendations.

Table 2.3: Level of Implementation of Recommendations by Category of Recommendations

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	6	0	3	3	0
Implementation/ Execution	1	0	1	0	0
Coordination	1	0	0	1	0
Total	**8**	0	4	4	0

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 2.3 shows that six (6) out of eight (8) issued recommendations fall under the planning category. The next observed categories were execution and coordination, which had one (1) recommendation each, equivalent to 25% of all issued recommendations to MoA. None of the recommendations from each category of planning, execution, and coordination were fully implemented.

Below are the details of the status of implementation of the issued recommendations based on the four implementation levels: fully implemented, partially implemented, not implemented and overtaken by event. The analysis of eight (8) recommendations issued to MoA indicates that their implementation status fell under two (2) out of four (4) levels of implementation, which are partially implemented and not implemented, as detailed below.

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

The analysis of submitted evidence and Information from MoA indicated that four (4) recommendations were partial. Implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Ensure that the prepared Project Appraisal Documents are comprehensive and updated prior to the implementation phase

This recommendation required the Ministry of Agriculture to prepare the comprehensive Project Appraisal Document (PAD) for future projects of

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similar nature. While implementing the Expanding Rice Productivity Project (ERPP), the Ministry of Agriculture used PAD, which was not comprehensive enough to suffice the project requirements. The prepared PAD mismatched between the two documents in three proposed items: budget, storage capacity, and scope to be covered.

In the action plan, the Ministry of Agriculture agreed with the Auditors; however, they alerted that the project is ending by 30 April 2020. The Ministry agreed to have the recommendation incorporated immediately in the next formulation of the PADs.

The responses made by the Ministry of Agriculture to this recommendation could not suffice. The audit team acknowledged the efforts made by the Ministry of Agriculture to ensure the recommendation was adhered to. It was noted that, in 2021, the Ministry of Agriculture prepared the Project Accounting Manual (PAM) when implementing the TANIPAC project as one of the Project Implementation Manual (PIM). The prepared manual intended to:

- Describe the accounting procedures that are to be used and operated by TANIPAC in preparing financial reports and presenting them;

- Explaining accounting policies, principles and regulations that are to be adopted; and

- Provide a source of reference for the TANIPAC staff on a timely basis.

In addition to that, the Ministry of Agriculture submitted PAD for the TANIPAC project. The audit team managed to review the submitted PAD and found it to be comprehensive. However, it was not based on this audit since the submitted PAD was from 2018, while the audit was from 2020.

The Ministry could not submit the PAD of the projects started after 2020 to enable the audit team to measure comprehensiveness. Moreover, the Ministry has not implemented a project of a similar nature since the cessation of the ERPP Project. Therefore, since the submitted evidence and responses of the MoA indicated that the Ministry was on the initial plan for implementing similar projects, this recommendation is ranked partially implemented.

Impact assessed as the result of the action taken

No impact has been noted regarding this recommendation. There is no Project Appraisal Document (PAD) established by the Ministry of Agriculture

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that would have helped auditors assess PAD coverage and the impact contributed to the projects.

Recommendation 2: Ensure that the consultants doing designs are closely monitored to ensure adequate surveys and investigations for each site are thoroughly conducted to avoid ending up with drawings that do not reflect actual site conditions

This recommendation requires the Ministry of Agriculture to keep an eye open to the consultant in all project stages.

The commitment made by the Ministry of Agriculture during the exit meeting was to continue with closer supervision of the Consultant to ensure that the warehouses are constructed as per agreed designs.

Reviewed responses and reviewed evidence submitted have indicated that the Ministry of Agriculture implemented another project that had a construction component. It was noted that the Ministry, through the TANIPAC Project, is constructing the warehouses in fourteen (14) different areas. The Ministry hired a consultant to supervise the construction work in this regard.

In the responses made, the Ministry has submitted the progress reports and site meeting minutes to indicate that the consultant hired is highly supervised.

The audit team acknowledged the submissions, reviewed them, and found them relevant. Despite that, the Ministry could not submit the ToR of the consultant so as to measure the magnitude of the task. Moreover, no evidence indicates that the reviewed work was done by the consultant. Based on the responses made and the intensity of evidence submitted, this recommendation is ranked as partially implemented.

Impact assessed as the result of the action taken

No direct impact has been noted toward this recommendation. The Ministry of Agriculture has not established a unit to supervise ongoing construction work, including design. When there is a project, the consultant is supervised directly by the Project Implementation Unit and the Directorate of Policy and Planning.

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Recommendation 3: Ensure that a thorough feasibility study is conducted for each project and that project designs are based on the results of the feasibility studies

This recommendation required the Ministry of Agriculture to undertake a thorough feasibility study for each project, and further, it required the designs to be based on the results of the feasibility studies.

During the audit, the team found that four (4) out of five (5) reviewed project files executed under ERPP had problems with their feasibility studies. Aspects that showed Feasibility Studies were not adequately conducted. The warehouses were constructed in high water tables and swampy areas and the construction of warehouses along waterways. These challenges were also noted after the construction had begun. The Ministry of Agriculture agreed to develop a detailed feasibility study, which will be adequately implemented, and the outputs will be used for project design.

There has been no implemented project that needed a feasibility study since tabling the audit. Because there is no evidence regarding the consideration of this recommendation and because there is no new project with a similar nature, the recommendation is ranked as not implemented.

Although the Ministry has implemented the warehouse project with fourteen (14) lots through the TANIPAC project, it could not submit evidence on whether the feasibility studies were executed in warehouses under the TANIPAC project.   This recommendation is ranked partially implemented because the projects do not come directly from the Ministry of Agriculture but from another ministerial organ.

Recommendation 4: Monitor the consultants/contractors throughout the construction stage to ensure agreed milestones are achieved

This recommendation required the Ministry of Agriculture to monitor the consultants/contractors throughout the construction stage to ensure agreed milestones were achieved.

Inadequate Monitoring of both Contractors and Consultants was noted during the audit. This contributed to the delay in project completion. Furthermore, the consultants could not submit staff indicated during tendering.

In the action plan, the Ministry agreed to continue with a site inspection and monitoring to control the quality of the works and ensure full-time

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availability of the key personnel for Consultants/Contractors at each site as per the Clauses of the contracts.

According to the submitted documents, the Ministry is currently implementing the TANIPAC project, which has a component for warehouse construction. Under this component, the Ministry of Agriculture has hired a consultant to supervise the fourteen (14) lots.

The Ministry of Agriculture has submitted the inspection reports, progress reports, and site meeting minutes prepared by the consultant. The Ministry of Agriculture could not submit the contract and Terms of Reference, which would have helped the audit team review and check the supervisory roles set in the Contract and ToR between the MoA and the Consultant. Due to the evidence submitted, this recommendation is ranked as being partially implemented.

(ii)   Details of Recommendations that Were Not Implemented

The analysis of submitted evidence and information from MoA indicated that out of eight (8) issued recommendations, four (4) were not implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Ensure that the project designs, BoQs and specifications are reviewed thoroughly to avoid discrepancies and unnecessary series of revisions and variations

This recommendation requires the Ministry of Agriculture to review the designs, BoQs and Specifications to avoid repeated discrepancies, revisions and variations. During the audit, a series of repeated reviews were observed, caused by discrepancies. This resulted in several variation orders.

The action plan submitted by the Ministry of Agriculture agreed with the auditors' recommendation and committed to continuing to monitor and inspect the ongoing construction works.

The Ministry of Agriculture agreed to monitor BoQs and technical specifications to avoid unnecessary variations. Despite the responses, there is no evidence on whether the Ministry has implemented any construction projects since the submission of this Performance Audit Report. This would have guided the audit team on what has been done to implement the recommendation. Because of this, this recommendation is ranked as not implemented.

R*ecommendation 2: Ensure that the prepared Project Appraisal Document is aligned with designs and feasibility study to avoid conflicting documents*

This recommendation requires the Ministry of Agriculture to ensure the prepared Project Appraisal Document is aligned with designs and feasibility studies to avoid conflicting documents.

The Project Implementation Team under the Ministry of Agriculture prepared the Project Implementation Manual, which was not aligned with the Project Appraisal Document and Grant Agreement. When the Project Implementation Manual was prepared, it assigned the responsibilities of undertaking the procurement activities to LGAs since the Ministry of Agriculture wanted to increase project ownership to the LGAs. However, LGAs failed to comply with the Word Bank requirements while implementing this role. This was contrary to the Project Appraisal Document and the Grant Agreement, which required the Ministry of Agriculture through the Project Implementation Team to manage all the procurement aspects. As a result, the commencement of the construction activities was delayed for an average of 566 days.

In the action plan, the Ministry of Agriculture committed to implement this recommendation during the remaining time of this project but, more importantly, for the coming projects. Despite that, it was noted that the Ministry of Agriculture submitted the Project Appraisal Document for the TANIPAC project that was developed in June 2018.

Based on the evidence submitted, the audit team could not be satisfied with the submission because the submitted PAD was available before the audit recommendation was issued. Therefore, this recommendation is ranked as not implemented.

Recommendation 3: Liaise with the Ministry of Finance and Planning as well as the donor partners to ensure funds are available in a timely manner to facilitate the smooth implementation of the projects

This recommendation required the Ministry of Agriculture to coordinate with the Ministry of Finance and donor partners to facilitate the timely availability of funds. During the audit, the funds were noted to be delayed. The noted cause of project delay was the absence of a coordination mechanism between the Ministry of Agriculture and the Ministry of Finance. The Ministry of Agriculture made the commitment and issued an action plan for implementing the recommendation. In this regard, the Ministry agreed

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to strengthen the use of the D-Funds system as per the guidelines issued by the Ministry of Finance.

The Ministry could not submit any evidence for review. Since the response by MoA could not address the recommendation, and there was no evidence that was attached, therefore, the implementation of this recommendation is ranked as not implemented.

Recommendation 4: *Ensure that the evaluation process is conducted in accordance with the specified procurement guidelines to obtain qualified contractors so that the intended project objectives are achieved*

This recommendation required the Ministry of Agriculture to ensure that the evaluation is conducted per the specified procurement guidelines to obtain qualified contractors.

During the audit, it was noted that inadequate evaluation had caused the evaluation team to award two contracts to one contractor despite having submitted the same equipment and staff for the two contracts bids. This approach caused the World Bank to object to the process and called for the Ministry of Agriculture to order the evaluation committee to ensure only one contract was awarded.

The work is as per the signed contract. This recommendation was ranked as not implemented because, in the action plan, the Ministry of Agriculture agreed to continue complying with procurement procedures and monitoring contractors to complete them.

The response made by the Ministry of Agriculture during the follow-up session was to agree to implement a new project, which required a contractor; however, the Ministry could not provide evidence that would assist the audit team in assessing the implementation level.

2.5.3 Results of Follow-Up of Implementation of Issued Recommendations to NFRA

This section provides details on the status of the implementation of the issued recommendations to the National Food Reserve Agency (NFRA). A total of seven (7) recommendations were issued to NFRA. All seven (7) recommendations were not implemented. **Table 2.4** provides a summary of the implementation status of the recommendations issued to NFRA by category of recommendations.

Table 2.4: Level of Implementation of Recommendations by Category of Recommendations

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	5	0	0	5	0
Implementation/Execution	1	0	0	1	0
Coordination	1	0	0	1	0
Total	**7**	0	**0**	**7**	0

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 2.4 shows that five (5) out of seven (7) issued recommendations fall under the planning category. This is equal to 71% of all recommendations issued. The next observed categories were execution and coordination, which had one (1) recommendation each, equivalent to 29% of all issued recommendations to NFRA. All the recommendations from each category of planning, execution and coordination were not implemented.

Below are the details of the implementation status of the issued recommendations. Based on the four (4) implementation levels: fully implemented, partially implemented, not implemented and overtaken by event. The analysis of seven (7) recommendations issued to NFRA indicates that their implementation status fell under one (1) out of four (4) levels of implementation, which is not implemented, as detailed below.

(i)   Details of Recommendations that Were Not Implemented

The analysis of submitted evidence and information from NFRA indicated that seven (7) recommendations were not implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Ensure that the project designs, BoQs and specifications are reviewed thoroughly to avoid discrepancies and unnecessary series of revisions and variations

This recommendation required NFRA to thoroughly review the project designs, BoQs and Specifications to avoid discrepancies and unnecessary variations.

In the action plan, the NFRA set the milestone for formulating the review team, and the activity was to be effected immediately in future projects.

Responses made by NFRA during follow-up have indicated that there is no new project with construction in nature to implement this recommendation. In that sense, the NFRA officials were not able to submit the evidence from the formulated review team. Since the agency has not yet implemented a new project, this recommendation is ranked as not implemented.

This recommendation is ranked as not implemented because, under the period when follow-up was done, NFRA did not implement any new project of a similar nature. Given that situation, it can be concluded that NFRA was not able to implement the auditors' recommendations.

Recommendation 2: Ensure that the prepared Project Appraisal Document is aligned with designs and feasibility study to avoid conflicting documents

This recommendation required NFRA to prepare the comprehensive Project Appraisal Document (PAD) for a future project of a similar nature. The PAD that is prepared for future projects should be aligned with feasibility studies. During the Storage Expansion Project implementation, NFRA used PAD, which had data that varied greatly from that of feasibility studies. The prepared PAD mismatched between the two documents in three proposed items: budget, storage capacity and scope to be covered.

In the action plan, NFRA agreed with the auditors and planned to formulate a review team for similar projects. This recommendation is ranked as not implemented because NFRA has not yet received a project of a similar nature. Furthermore, there is no ongoing project to take the recommendations issued on board.

Recommendation 3: Ensure that a thorough feasibility study is conducted for each project and that project designs are based on the results of the feasibility studies

This recommendation required NFRA to conduct a thorough feasibility study for each project, and further, it required the designs to be based on the results of the feasibility studies. During the audit, there was a disparity between the feasibility study and the Project Appraisal Document. NFRA agreed to consider the feasibility study aspect by formulating a team to guide all project formulation and implementation procedures.

So far, the interviewed officials from NFRA have informed the audit team that no project has been implemented that needs a feasibility study since the audit recommendation was issued. Because there is no evidence regarding the consideration of this recommendation and because there is no new project of a similar nature, the implementation of the recommendation is ranked as not implemented.

This recommendation is ranked as not implemented because, under the period when follow-up was done, NFRA has not yet implemented a new project of a similar nature. Because of that, NFRA could not implement the auditors' recommendations.

Recommendation 4: Liaise with the Ministry of Finance and Planning as well as the donor partners to ensure that funds are timely available to facilitate smooth implementation of the projects

This recommendation required NFRA to liaise with the Ministry of Finance (MoF) and donor partners to facilitate the timely availability of funds and smooth project implementation. During the audit, the funds were noted to be delayed. The noted cause of project delay was the absence of a coordination mechanism between NFRA and MoF.

During the exit meeting, The Ministry of Agriculture (MoA) made the commitment and issued the action plan for implementing the recommendation. The timeline brought was September 2020.

Despite that, during follow-up activities, the audit team reviewed correspondence files and noted that the project continued to be delayed, and the reason for this was the internal arrangements that ought to take place within the Ministry of Finance to ensure the timely availability of funds. Assessment made by the audit team has noted the projects for Mpanda, Sumbawanga, and Babati were delayed to be completed for an average of eighteen (18) months (**Consider Photo 2.1((a) and (b)).**

Photo 2.1(a): The side view of the completed storage metal silos at Babati after being delayed for an average of eighteen (18) Months. The photo was taken by the Audit Team on 30 October 2023, at 11: 31 AM.

Photo 2.1(b): The front view of the completed storage metal silos at Mpanda after being delayed for an average of eighteen (18) Months. The Audit Team took the photo on 26 October 2023, at 12:02 PM.

Meanwhile, the same assessment for the construction lots of Shinyanga, Mbozi, Dodoma, Makambako and Songea was delayed for an average of forty-three (43) months, and yet the project is not yet completed **(See Photo 2.2)**.

Photo 2.2(a): The side view of the abandoned storage metal silo project at Shinyanga after being delayed for an average of forty-three (43) Months. The Audit Team took the photo on 27 October 2023 at 11:45 AM.

Photo 2.2(b): The side view of the abandoned storage metal silo project at Dodoma after being delayed for an average of forty-three (43) Months. The Audit Team took the photo on 13 October 2023 at 03:37 PM.

This implies that the coordination between the Ministry of Finance and NFRA to fast-track payments has not yet been effected. Because of that, the project could not be completed, and construction materials were abandoned on-site. There was a delay in the payments of certificates, and there was an inadequate follow-up of pending certificates.

This recommendation is ranked as not implemented because, under the period when follow-up was done, NFRA has not yet implemented a new project of a similar nature. Because of that, NFRA was not able to implement the auditors' recommendations.

Recommendation 5: Ensure that the procurement of the Project Manager is well planned and budgeted, including commitment of funds before engaging in any procurement activities to avoid unnecessary payment delays

This recommendation required the NFRA to commit funds before the procurement of the Project Manager to avoid unnecessary delays. During the audit, it was found that NFRA entered into the construction project and needed a consultant to act as a project manager. Despite that requirement, NFRA could not budget for the consultant. Because of that, NFRA requested the Ministry of Agriculture to take responsibility for paying the consultant, but the Ministry could not accept.

In the action plan made during the exit meeting, NFRA committed to planning and budgeting for the project manager before the commencement of future projects. So far, NFRA has not yet received a similar project. Furthermore, there is no ongoing project to take the recommendation issued on board.

The absence of funds commitments was continually seen during the execution of the project. The audit team made an assessment, and the project manager was not paid in a timely manner. For example, the fee notes were delayed in being paid for almost 234 days.

Moreover, from the analysis made from the fee note submitted, it was noted that NFRA had managed to pay a total of TZS 2,870,704,655 out of TZS 4,170,000,000. The payments made are equivalent to 69% of the Contract Sum. This recommendation has not been implemented since NFRA has not yet started a new project, and there is still a funding problem with paying the project manager.

This recommendation is ranked as not implemented because, during the period when follow-up was done, NFRA has not yet implemented a new

project of a similar nature. Because of that, the NFRA could not implement the auditors' recommendations.

Recommendation 6: Monitor the Project Manager throughout the construction stage to ensure agreed milestones are achieved

This recommendation required NFRA to monitor the consultants/contractors throughout the construction stage to ensure the agreed-upon milestones were achieved.

Inadequate Monitoring of both Contractor and Consultant were noted during the audit. This contributed to the delay in project completion. Furthermore, the consultant could not submit staff indicated during tendering. In the action plan, NFRA agreed to continue with site monitoring to control the quality of the work and ensure the full-time availability of key personnel for consultants/contractors at each site as per the clauses of the contracts.

This recommendation is ranked as not implemented because, under the period when follow-up was done, NFRA has not yet implemented a new project of a similar nature. Because of that, NFRA could not implement the auditors' recommendations.

Recommendation 7: This recommendation requires the Project Manager to be fully engaged or employed so as to ensure the quality of work performed

In the action plan, the agreement was to enhance the procurement of the project manager before the contractor was procured. It was agreed to be held immediately before the commencement of the new project.

Through the interviews with NFRA Officials, it was pointed out that NFRA has not implemented new projects to affect the recommendation. It was noted that, currently, NFRA is finalizing the existing project of warehouses and storage metal silos. In that regard, this recommendation is ranked as not implemented, and the status would change when embarking on a new project with a similar nature.

This recommendation is ranked as not implemented because, under the period when follow-up was done, NFRA has not yet implemented a new project of a similar nature. Because of that, NFRA could not implement the auditors' recommendations.

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2.6   Specific Conclusion

Based on the analysis of the implementation status of the previously issued recommendations, it is concluded that neither the Ministry of Agriculture (MoA) nor the National Food Reserve Agency (NFRA) have fully implemented the given recommendations. In this follow-up, it was found that four (4) recommendations were partially implemented, and eleven (11) were not implemented. More effort is needed to ensure that the given recommendations are fully implemented to reduce the project delay, directly leading to making the intended service available in a timely manner. NAOT will continue making follow-ups in all recommendations to ensure their implementation is fully effected.

Conclusion on Impact Attained on the Implementation of Performance Audit Recommendations on Supervision of the Construction of Warehouses and Storage Silos Complexes

Generally, both the Ministry of Agriculture and NFRA, being the audited entities, have not yet implemented new projects of a similar nature. The impact of not implementing the issued CAG recommendations caused the progressive delay of projects, which has impacted the progressive use of extra costs to hire storage premises.

Moreover, the delayed completion has contributed to the noted national post-harvest loss, which is 16% and which, in most cases, is due to inadequate storage.

2.7 Specific Recommendations

2.7.1 Recommendations to the Ministry of Agriculture

The Ministry of Agriculture is urged to:

1. The Ministry of Agriculture should devise a mechanism to ensure all recommendations which are supposed to be implemented by the Ministry are fully implemented; and

2. The Ministry of Agriculture should properly support and supervise NFRA to ensure that all recommendations are implemented to the fullest.

2.7.2 Recommendation to NFRA

The National Food Reserve Agency is urged to:

1. Devise a mechanism to ensure the recommendations are fully implemented when resuming the implementation of the five lots after getting the new Contractor.

CHAPTER THREE

FOLLOW-UP AND IMPACT ASSESSMENT ON THE IMPLEMENTATION OF PERFORMANCE AUDIT RECOMMENDATIONS ON THE QUALITY OF EXECUTED BITUMEN SURFACED ROAD WORKS IN URBAN AREAS

3.1 Background to the Audit

Performance Audit Report on the quality of executed bitumen surfaced road works in urban areas was tabled before the Parliament of the United Republic of Tanzania in March 2020. The main objective of the audit was to determine whether the President's Office - Regional Administration and Local Government (PO-RALG) through Tanzania Rural and Urban Roads Agency (TARURA) has effective mechanisms to ensure that the constructed bitumen surfaced roads in urban areas meet the specified quality standards to support socio-economic development activities.

3.2 Audit Scope

The main audited entities were the PO-RALG and TARURA. This is because PO-RALG oversees road work activities and policy development/supervision on roads classified as district, urban and feeder roads. This includes ensuring that the quality control and assurance activities are instituted adequately in all stages of road management. The PO-RALG is also responsible for providing the appropriate level of supportive supervision to TARURA.

Specifically, the audit focused on assessing the effectiveness of quality control mechanisms during project initiation, design, tendering, project execution and closure phases. The audit also assessed the monitoring and evaluation function of the construction activities, including supervision and performance monitoring of TARURA in controlling the quality of road construction activities in urban areas. The following local government authorities were sampled for the study: Dodoma City Council, Kondoa Town Council, Iringa Municipal Council, Mafinga Town Council, Mwanza City Council, Ilemela Municipal Council, Mtwara Municipal Council, Nanyamba Town Council, Tanga City Council, Korogwe Town Council, Ilala Municipal Council and Kinondoni Municipal Council.

The audit covered four (4) financial years from 2015/16 up to 2018/19 to assess the performance of PO-RALG through TARURA in managing the quality of executed bitumen surfaced road works in urban areas.

3.3 Main Audit Findings

(a) Existence of Bitumen Surfaced Roads Constructed with Poor Quality

The audit revealed the existence of some roads of poor quality in the bitumen-surfaced road network throughout the country. The annual maintenance report of TARURA of 2018/19 has indicated that 10 per cent of the road network is paved in the country and is in poor condition. This was evidenced by the trend of government expenditure in the maintenance of the road network, which has increased by 43% from TZS 143 billion in 2015/16 to TZS 204 billion in 2018/19. We noted that the main reasons for existing poor bitumen surfaced roads were the use of inadequate road designs and poor supervision during the construction of the respective roads.

In addition to the status of road networks, TARURA is not well equipped to track the status of road networks in the country because of the lack of an effective system for collecting data/information about the quality of their road networks. To collect information about the road network, including aspects of the quality of the road networks in various urban areas, the government designated the District Road Management System (DROMAS). Since its establishment, this system has not managed to collect comprehensive information about the quality of roads, skipping key information about the existence of physical defects from road surfaces such as potholes, rutting, pavement failures, cracks and depressions, which could affect the score of the road on its quality. On the other hand, the information available from DROMAS was unreliable as it was not updated. In addition, this system lacked credibility as it failed to capture information about the whole road network by the time of this audit.

(b) Inadequate Designs and Specifications

A review of the different road works executed in urban areas has indicated that most projects executed in urban areas were based on inadequate

designs and had deficiencies in complying with required standards and specifications.

Moreover, most of the reviewed road projects were constructed without having proper feasibility studies, which is a key factor in developing adequate road designs. The audit noted that in the twelve (12) visited LGAs and thirty–eight (38) road projects covered, only 26% were constructed based on road designs developed after feasibility studies. In contrast, 74% of all road projects visited were not based on feasibility studies. The audit team noted further that the few conducted feasibility studies did not cover all key elements of feasibility studies, leading to road designs being developed without key survey information about hydrological, topographical, environmental and social impact assessment.

Furthermore, the audit team noted the use of inadequate road designs during the execution of works, which consequently led to design changes and subsequent project cost overruns, affecting the value for money of the executed road works. From the twelve (12) visited LGAs and thirty-eight (38) road projects, we noted cost overruns of about TZS 6.5 billion, ranging from TZS 10 million to TZS 1.8 billion per road project.

Additionally, the audit team noted that inadequate feasibility studies and subsequent road designs resulted from insufficient capacity by the in-house design teams at TARURA. Profession-wise, the twelve (12) visited LGAs had only highway engineers available in their LGAs. There was no direct technical support from Headquarters for other key skills during feasibility studies or the preparation of detailed road designs. Developing feasibility studies or detailed road designs required other key professions for specialized works like drainage, materials/soil investigation, and environmental assessments. Also, there was no technical support for hydrological studies, survey works and social-impact assessments, which are key to developing quality feasibility studies and adequate road designs.

(c) Inadequate enforcement of quality control procedures during the construction

The audit noted the existence of weak enforcement of quality control and assurance procedures during the execution of road works. As detailed

below, these weaknesses were observed at different stages of road construction projects.

During Tendering for Road Works

The audit noted that the necessary attachments during the tendering phase, which provide estimates of the works' quantities and guidance on the kind of works to be executed and materials to be used, were not complete and correctly attached. Additionally, the typical drawings and other key attachments were not stamped as per the requirements of the Road Geometric Design Manual.

Furthermore, the audit team found out that there was inadequate evaluation of contractors, which led to the selection of incapable contractors who failed to deliver the work on time and at the agreed timelines. Most of the evaluation reports did not indicate the number of projects undertaken concurrently by bidders at the bidding time.

The reports did not conduct extensive financial capacity analysis to determine financially capable contractors. The audit further found that evaluations relied entirely upon the information submitted by contractors without conducting further post qualifications. Consequently, the weaknesses in evaluating contractors led to the procurement of work from incapable contractors who had different violations during work execution. These included absenteeism from the site, carrying out work without key staff, and dispossessing or completely abandoning sites.

During the Execution of Road Works

The audit team found out that there was a weak mechanism for enforcing quality control mechanisms during the execution of road works. Among the major requirements just before the projects start is the submission of quality control plans, quality assurance plans, and method statements to guide the execution of road works according to the agreed standards. From the visited road projects, only seven (7) out of thirty-eight (38) road projects, equivalent to 18% of the visited projects, had Quality Assurance Action Plans. Likewise, only six (6) out of thirty-eight (38) road projects, equivalent to 16% of visited paved roads in twelve (12) LGAs, had Quality Control Plans. This implies that 82% and 84% of the thirty-eight (38) visited

road projects had no Quality Assurance and Quality Control Plans, respectively.

Furthermore, the audit found that the road works were executed under very minimal supervision of ongoing road works, particularly during the execution stage. There were no formal tools or guidance for supervising road work projects. The most essential communication for daily supervision, including requests for inspections and approvals reports, was very limited and informal. Nevertheless, most projects that had requests for approvals and inspections were those under World Bank Financing. In the twelve (12) LGAs visited, an average engineer managed six (6) projects, including those of gravel road standards.

The audit also noted that some of the road works items were completed and subsequent works approved without the required tests as per the requirements of the standards. Essential tests like spray rate tests, spread rate, surface regularities, absolute levels, unconfined compressive strength tests, and graduation and bitumen tests were infrequently conducted. The most uncommon tests were spread and spray rate tests whereby only one (1) road project conducted the particular test. In contrast, none of the roads did the Surface Regularities test out of the eight (8) visited roads with Double Surface Dressing (DSD) or Surface Dressing (SD). For Asphalt Concrete (AC – 14) roads, the most uncommon tests were surface regularities, Ten Percent Fines Value (TFV), Absolute levels and Bitumen Tests, where twenty-one (21) of the thirty (30) road projects equivalent to 70 per cent of roads conducted the relevant tests.

During the Completion and Closure of Road Works

The audit team found out that substantially and finally completed projects were not properly closed. Out of the thirty-eight (38) visited road projects, only four (4) projects, equivalent to 11% of the projects, were adequately closed. The audit team noted substantially closed projects with snag lists containing outstanding items like access roads, walkways, cover slabs, road markings, road signs and drainage works, which are not allowable per the Standard Specification for Road Works (2000). Moreover, the final inspections were not sufficiently conducted as they did not capture all defects and outstanding issues. Additionally, out of thirty-eight (38) road projects, only eight (8) had prepared final accounts, which were supposed

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to have been closed to settle all contractual matters before project completion.

(d) Inadequate Monitoring and Evaluation of TARURA Quality Control Activities

The audit found that the M&E system at TARURA, both at the Headquarters and Regional Offices, had weaknesses that led to insufficient execution of its roles in monitoring the quality of road construction in urban areas. The audit further noted that the monitoring and evaluation functions for quality control activities during road construction were not clearly spelt out in all the guidelines and other documentation. In addition, the reviewed Monitoring and Evaluation plans revealed that key performance indicators did not address issues regarding the quality of completed bitumen-surfaced roads.

(e) Inadequate Monitoring of TARURA's Performance in Controlling Quality of Road Works

The review of reports by PO-RALG and the data collected from TARURA has noted that there is inadequate implementation of the performance monitoring functions of TARURA, which affects how PO-RALG monitor the performance of TARURA in controlling the quality of road works executed in urban areas. In addition, we reviewed the functions of both institutions and noted functional overlaps between them, creating accountability conflict.

The overlapping functions revealed by the audit team included the establishment and maintenance of appropriate rural and urban road databank, provision of technical support, supervision, quality assurance and control, demarcation and protection of road reserves, carrying out engineering traffic and economic studies for maintenance and improvement of the road networks, and undertaking research or collaborating with any research organization with the view to facilitate the Agency's plan on development and maintenance activities.

Furthermore, the performance of TARURA in controlling the quality of executed road works in urban areas was not adequate. PO-RALG did not perform well in monitoring TARURA, particularly in monitoring adherence

to set standards on maintenance and development works. Basically, PO–RALG did not monitor to check whether TARURA meets the agreed performance criteria as per the Annual Performance Agreement. The monitoring done by PO-RALG focused and reported only on projects financed by development partners like the Dar es Salaam Metropolitan Development Projects, Urban Local Government Support Programme and Tanzania Strategic Cities Project.

3.4 Overall Audit Conclusion

The audit generally concluded that the current mechanisms in controlling the quality of road works in urban areas, as performed by PO-RALG through TARURA, were insufficient to construct quality roads in urban areas. The existing system for quality control had no effective enforcement mechanisms to guarantee the execution of road works of the desired quality. On the other hand, TARURA lacked proper tools like laboratories, quality control, and assurance manuals to help them sufficiently assure quality during the execution of road works.

These weaknesses were affecting different levels of operations at TARURA, which targeted ensuring that the constructed roads in urban areas are of high quality and, therefore, serve its organizational goal of providing sustainable and cost-effective maintenance and development of urban road networks to support the socio-economic development of Tanzania. Additionally, the quality assurance activities at TARURA were not conducted using stipulated guidelines that minimized the impact of assurance activities at the LGA level on the actual execution of road works.

3.5 Results of the Follow-up on the Implementation of Recommendations

This part presents the implementation status of issued recommendations to the Tanzania Rural and Urban Roads Agency (TARURA) and the President's Office – Regional Administration and Local Government (PO-RALG) on the Performance Audit on the Quality of Executed Bitumen Surfaced Road Works in Urban Areas.

The implementation of the issued recommendations was measured using four (4) levels. In the classification of recommendations, namely, *fully implemented recommendations, partially implemented recommendations,*

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not implemented recommendations, and *overtaken by event recommendations.* The following subsections explain the status of the implementation of the issued audit recommendations.

3.5.1 Overall Implementation of Issued Recommendations

Nine (9) recommendations were issued in this performance audit; six (6) were directed to TARURA, and three (3) were directed to PO-RALG. The overall follow-up results on implementing the issued audit recommendations indicated that out of nine (9) issued recommendations, one (1) recommendation was fully implemented, four (4) were partially implemented, and four (4) were not implemented. **Table 3.1** details the implementation level for the two (2) audited entities.

Table 3.1: Level of Implementation of Recommendations by Audited Entities

Audited Entity	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
TARURA	6	1	3	2	0
PO-RALG	3	0	1	2	0
Total	**9**	**1**	**4**	**4**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 3.1 shows that, out of six (6) issued recommendations to TARURA, one (1) was fully implemented, three (3) were partially implemented, and two (2) were not implemented. Similarly, it is indicated that out of three (3) recommendations issued to PO-RALG, no recommendation was fully implemented, one (1) was partially implemented, and two (2) were not implemented.

Further analysis of the issued recommendations for each recommendation category was made based on the four (4) implementation levels: fully, partially, not implemented and overtaken by event. **Table 3.2** provides the level of implementation for all issued recommendations based on these categories.

Table 3.2: Level of Implementation of Recommendations by Audited Entities

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	2	0	1	1	0
Implementation/ Execution	1	0	1	0	0
Monitoring and Evaluation	4	1	2	1	0
Development	2	0	0	2	0
Total	**9**	**1**	**4**	**4**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 3.2 indicates that two (2) recommendations were in the planning category; one (1) was partially implemented, and the other was not implemented. One (1) recommendation out of nine (9) was in the implementation category and was partially implemented. Four (4) out of nine (9) recommendations were in the monitoring and evaluation category; one (1) was fully implemented, two (2) were partially implemented, and one (1) was not implemented. It further indicates that two (2) recommendations were not implemented in the development category.

3.5.2 Results of Follow-Up of Implementation of Issued Recommendations to TARURA

This section details the implementation status of the issued recommendations to the Tanzania Rural and Urban Roads Agency (TARURA). A total of six (6) recommendations were issued to TARURA. One (1) recommendation was fully implemented, three (3) recommendations were partially implemented, and two (2) recommendations were not implemented. **Table 3.3** summarises the implementation status of the recommendations issued to TARURA by category of recommendations.

Table 3.3: Level of Implementation of Recommendations by Category of Recommendations

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	1	0	1	0	0
Implementation/ Execution	1	0	1	0	0
Monitoring and Evaluation	3	1	1	1	0
Development	1	0	0	1	0
Total	**6**	**1**	**3**	**2**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 3.3 indicates that one (1) recommendation in the planning category was partially implemented. In the implementation category, one (1) recommendation was partially implemented. Also, out of three (3) recommendations in the monitoring and evaluation category, one (1) was fully implemented, one (1) was partially implemented, and one (1) was not implemented. In the development category, there was only one (1) recommendation that was not implemented. The following subsection provides details of recommendations issued to the TARURA.

Below are the details of the status of implementation of the issued recommendations based on the four implementation levels: fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of six (6) recommendations issued to TARURA indicates that their implementation status fell under three (3) out of four(4) levels of implementation, which are fully implemented, partially implemented and not implemented, as detailed below.

(i)   Details of Recommendation that was Fully Implemented

The analysis of submitted evidence and information from TARURA indicated that one (1) recommendation was fully implemented. This recommendation's status of implementation is as explained below:

Recommendation 1: TARURA should establish a strong mechanism for developing and reviewing road designs for all road works

This recommendation required TARURA to establish a strong mechanism for developing and reviewing road designs for all road works. In the action plan developed by TARURA to implement this recommendation, it was indicated that TARURA would ensure that ERB registers the consulting unit at TARURA and that necessary preparations for registration will be done.

A review of responses and submitted evidence noted that TARURA has established and registered a consulting wing to conduct feasibility studies and designs. Establishing and registering a consulting firm represents implementing the recommendation as per the action plan prepared. The effectively operating consulting firm is expected to provide a strong mechanism for developing and reviewing road designs. Therefore, this recommendation was fully implemented.

Assessment of the Impact of Implementing the Audit Recommendation

Following the full implementation of the recommendation, the audit team established the impacts realized by the Government concerning the implementation of the issued recommendation.

Immediate Impact

The analysis has indicated that the immediate impact of implementing the recommendation is the establishment of TARURA Engineering and Environmental Consultants (TREECO), which is engaged in developing and reviewing the road designs for all road projects undertaken by TARURA, either in-house or by contractors. TREECO was established to strengthen interval capacity in developing, reviewing, and supervising construction works for development and maintenance.

Long Term Impact

As a result, the establishment of TREECO led to an increase in the capacity to undertake in-house work supervision, and it has minimized the extent of costs incurred by the government in engaging consultants to design and supervise road work projects. To confirm that, the audit team analyzed

statistics of cost savings as a result of consultancy works undertaken by TREECO since the establishment of TREECO and presented them in **Table 3.4.**

Table 3.4: Trend in Cost Overruns Encountered in Implementation of Projects

Financial Year	Actual Costs by TREECO	Estimated Costs by Consultants	Savings
2020/21	47.15	123.4	76.2
2021/22	89.65	234.5	144.9
Total			221.1

Source: *Auditors' Analysis of TREECO Projects (2023)*

Table 3.4 shows that there has been significant savings from engaging TREECO in undertaking consultancy works for projects under TARURA. In a period of two (2) years since the establishment of TREECO, approximately TZS 221.1 billion have been saved.

(ii)   Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from TARURA indicated that three (3) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: TARURA should strengthen supportive supervision of its Council offices so that feasibility studies or detailed designs are effectively conducted to provide adequate road designs

The recommendation required TARURA to strengthen the supportive supervision of its council office so that feasibility studies or detailed designs are effectively conducted to provide adequate road designs. The action plan developed by TARURA to implement this recommendation indicated that TARURA would conduct a training needs assessment for TARURA HQ (HQ, Regions and Councils).

Through reviewing the implementation status, it was found that TARURA has conducted training in the Low Volume Design Manual (2016), Contract Management and Administration, Hydrology Study and Hydraulics Design, Management of Construction Variations claims and disputes and internal works supervision teams under TREECO.

The review of the responses submitted by TARURA shows only the strengthening of council offices through training such as Low Volume Roads

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Manual Design and Contract Management Training to strengthen staff of TARURA, particularly concerning the preparation of feasibility studies or detailed designs.

However, the provision of training represents only one part of the recommendation. The responses do not indicate the extent to which the strength of TARURA's staff has increased concerning conducting feasibility studies or developing detailed designs. The responses do not indicate whether TARURA's council offices have conducted detailed designs or feasibility studies at a capacity higher than the previous level. There is no indication of impact as a result of implementing this recommendation because the recommendation has been partially implemented, and the supportive supervision activities implemented up to the time of this follow-up did not contribute to the increase in feasibility studies conducted in council offices which is one of the results of effective supportive supervision. This recommendation was partially implemented.

Recommendation 2: TARURA should Strengthen the evaluation of tenderers for road works by appointing well-experienced evaluation teams and conducting sufficient due diligence

This recommendation required TARURA to strengthen the evaluation of roadwork tenderers by appointing well-experienced evaluation teams and conducting sufficient due diligence. In the action plan to implement this recommendation, TARURA indicated continuing to conduct training on procurement and tender evaluation to TARURA staff, including more training onTANePs.

In response to the recommendation, TARURA has undertaken several trainings covering the Public Procurement Act, regulations, amendments and procurement tools, Tanzania National Electronic Procurement System (TANePS), Contract Management and Procurement Procedures under the World Bank. The training may strengthen tenderers' capacity to conduct evaluations and undertake due diligence.

However, the provision of training represents one side of the recommendation. TARURA has not indicated how the conducted training has increased the capacity of its PMU on the matters raised in the original performance audit report. There is no indication of the impact of conducted

training on the results of evaluation or performance of contractors, such as a declining trend of non-performing contractors or delayed projects or, in some cases, terminated contracts. This is based on the fact that original observations in the issued Performance Audit report were observed while PMU staff had undergone similar training on tender evaluation. Hence this recommendation was partially implemented.

Recommendation 3: TARURA should ensure that road projects are properly closed and the subsequent activities during the defects liability period are effectively executed

This recommendation required TARURA to ensure that road projects are properly closed and subsequent activities during the defects liability period are effectively executed. In the action plan, TARURA planned to undertake capacity building in contract management.

In response, TARURA pointed out three trainings undertaken between 2021 and 2023 that were geared to train its staff on contract management. However, the training represents only the knowledge aspect of project closure and defects liability period. TARURA has not indicated how the training has improved the way projects are closed in councils and how they have improved the execution of defects liability periods. Nevertheless, council staff involved in project closure and administration of defects liability period during the performance audit had undergone similar training. There is no indication of the impact of the conducted training because training on project closure was conducted before and has been conducted after this audit with the same observations. Therefore, this recommendation was partially implemented.

(iii)   Details of Recommendations that Were Not Implemented

The analysis of submitted evidence and information from TARURA indicated that two (2) recommendations were not implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: TARURA should improve the functionality and operationalization of DROMAS to capture detailed informationcritical for assessing the quality of roadworks

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The recommendation required TARURA to improve the functionality and operationalization of the District Road Management System (DROMAS) to capture detailed information critical for assessing the quality of road works. In the action plan, TARURA planned to fix all system bugs/errors registered in TRELLO, a shared facility for communicating errors between TARURA and the developer.

To implement the recommendation, TARURA has started reviewing DROMAS (District Road Management System) through the RISE program to establish the requirements for upgrading the system. TARURA is also in the process of procuring an expert on road assets management systems.

However, the reported activities indicate only the will to implement the recommendation, but it has not yet started to implement it. The actual process of upgrading DROMAS has not yet started. The initial approval from the eGovernment Authority (eGA) was granted on 13 December 2022. However, with almost a year having elapsed, TARURA has not yet secured the 2nd approval from the Chief Secretary as advised by the eGovernment Authority. The recommendation was considered not implemented.

Recommendation 2: TARURA should develop and institute clear guidelines that are geared toward establishing effective quality control and assurance mechanisms in all stages of the road works project cycle

This recommendation required TARURA to develop and institutionalize clear guidelines for establishing effective quality control and assurance mechanisms in all road works project cycle stages. In response to the recommendation, TARURA has clarified that effective quality control and assurance are ensured through well-established manuals produced by the Ministry of Works, including the Low Volume Roads Manual and Standard Specifications for Road Works and Laboratory Testing Manual.

However, the clarification does not respond to either the recommendation or original action plan commitment by TARURA. The original action plan provided that TARURA shall establish quality control and assurance guidelines as well as train and disseminate them. Furthermore, the same manuals and standards were in place and used during the original performance audit, something which proved not to be ineffective and,

therefore, resulted in the construction of poor-quality roads, as indicated in the original performance audit report.

The audit has also noted that there is no framework to govern actions and decisions to establish an effective quality control and assurance mechanism at all stages of the road work cycle. The recommendation was not implemented.

3.5.3 Results of Follow-Up of Implementation of Issued Recommendations to PO-RALG

This section details the implementation status of the issued recommendations to the Tanzania Rural and Urban Roads Agency (PO-RALG). A total of three (3) recommendations were issued to PO-RALG. One (1) recommendation was partially implemented, and two (2) were not implemented. **Table 3.5** summarises the implementation status of the recommendations issued to PO-RALG by category of recommendations.

Table 3.5: Level of Implementation of Recommendations by Category of Recommendations

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	1	0	0	1	0
Monitoring and Evaluation	1	0	1	0	0
Development	1	0	0	1	0
Total	**3**	**0**	**1**	**2**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 3.5 indicates that one (1) recommendation was not implemented in the planning category. One (1) recommendation was in the monitoring and evaluation category, which was partially implemented. One (1) recommendation was in the development category, which was not implemented.

Below are the details of the status of implementation of the issued recommendations based on the four (4) implementation levels: fully implemented, partially implemented, not implemented, and overtaken by

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event. The analysis of three (3) recommendations issued to PO-RALG indicates that their implementation status fell under two (2) out of four (4) levels of implementation, which are partially implemented and not implemented as detailed below:-

(i)   Details of Recommendation that Was Partially Implemented

The analysis of submitted evidence and information from PO-RALG indicated that one (1) recommendation was partially implemented. The recommendation's status of implementation is as explained below:

Recommendation 1: PO-RALG should improve monitoring of the development and maintenance projects to effectively address key performance indicators on the quality of executed road works

This recommendation required PO-RALG to improve monitoring of the development and maintenance projects to effectively address key performance indicators on the quality of executed road works. In the action plan developed by PO-RALG, the Ministry informed auditors that the action plan had been developed and would be updated and submitted to auditors.

In response to the recommendation, the Ministry has pointed out quarterly reports as a tool for monitoring the quarterly performance of TARURA. In addition, it was noted that PO-RALG, in the financial years 2021/22 and 2022/23, purchased 100 vehicles for supervision of road works and 26 vehicles for Regional Secretariats to monitor and evaluate road works. These vehicles were handed over to Regional Secretariats for monitoring activities. These efforts represent one aspect of implementing the recommendation. However, the Ministry has not indicated the extent to which the monitoring activities have improved due to these activities. For instance, the performance agreement, which is the main monitoring tool by PO-RLAG, did not and still does not indicate the quality of executed road works. The recommendation is partially implemented.

(ii)   Details of Recommendations that Were Not Implemented

The analysis of submitted evidence and information from PO-RALG indicated that two (2) recommendations were not implemented. These recommendations and their status of implementation are explained below:

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Recommendation 1: PO-RALG should review and update their roles and functions to provide clear accountability on the use of resources by TARURA for the development of district and urban road networks

The recommendation required PO-RALG to review and update their roles and functions to provide clear accountability on the use of resources by TARURA for district and urban road network development. PO-RALG clarified several instances of how TARURA is implementing its functions as per its establishment order and how PO-RALG is monitoring them. The action plan prepared by PO-RALG clarified the functions of PO-RALG and those of TARURA.

However, PO-RALG has not reviewed its roles and functions concerning district and urban road network development. This recommendation was issued concerning the overlapping functions between TARURA and PO-RALG, as depicted in the respective Performance Audit Report. Unclear accountability continues to persist with overly overlapping functions between TARURA and PORALG. The functions of TARURA and PO-RALG have remained the same and thus contradict each other as per the issued report. The recommendation was, therefore, considered as not being implemented.

Recommendation 2: PO-RALG should develop an annual action plan that will ensure that the performance of TARURA controlling the quality of road works is effectively monitored

The recommendation required PO-RALG to develop an annual action plan that will ensure that the performance of TARURA in controlling the quality of road works is effectively monitored. PO-RALG indicated that it had updated the action plan to monitor the performance of TARURA in terms of the quality of road works. The updated action does not contain details showing if PO-RALG will monitor the quality of road works executed by TARURA.

The work plan contains information regarding only the number of projects undertaken and project statuses. Still, it has not provided an action plan on how the quality of roads will be monitored. In addition, the action plan presented does not state standards used to monitor the performance of TARURA in terms of the quality of road works, requirements, and use of monitoring reports. The provided action plan does not assure that the

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performance of TARURA controlling the quality of road works is currently effectively monitored. Therefore, this recommendation was not implemented.

3.6 Specific Conclusion

Based on the analysis of the implementation status of the previously issued recommendations, the audit concludes that despite the efforts demonstrated by both TARURA and PO-RALG in ensuring that the issued performance audit recommendations are fully implemented, much is required to ensure that all issued recommendations are fully implemented.

Based on the analysis of the received responses, TARURA and PO-RALG need a mechanism to ensure that the issued recommendations are fully implemented. This is because, in all nine (9) issued recommendations, only one (1) was fully implemented. Meanwhile, four (4) recommendations were partially implemented, and four (4) were not. On the other hand, some of the recommendations have been fully implemented and had some notable impact, including the establishment of TARURA Engineering and Environmental Consultants (TREECO) and the cost savings as a result of undertaking project supervision and design works using internal resources. More effort is required to ensure that all the issued recommendations are fully implemented. If the issued recommendations are not fully addressed, it will likely lead to ineffective management of bitumen-surfaced executed road works in the country. NAOT will continue making follow-ups in all recommendations to ensure full implementation of the issued recommendations.

3.7 Specific Recommendations

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

The President's Office – Regional Administration and Local Government (PO-RALG) is urged to:

1. Deploy more efforts to ensure that all recommendations are fully and satisfactorily implemented; and

2. Prepare an action plan on how to address recommendations that are partially and not implemented.

Recommendations to Tanzania Rural and Urban Roads Agency (TARURA)

The Tanzania Rural and Urban Roads Agency (TARURA) is urged to:

1. Deploy more efforts to ensure that all recommendations are fully and satisfactorily implemented; and

2. Prepare an action plan on how to address recommendations that are partially and not implemented.

CHAPTER FOUR

FOLLOW-UP AND IMPACT ASSESSMENT ON THE IMPLEMENTATION OF PERFORMANCE AUDIT RECOMMENDATIONS ON THE MANAGEMENT OF REVENUE COLLECTION FROM TELECOMMUNICATION SERVICE PROVIDERS

4.1 Background to the Audit

Performance Audit Report on the Management of Revenue Collection from Telecommunication Service Providers in Tanzania was tabled before the Parliament of the United Republic of Tanzania in March 2020. The overall objective of the audit was to determine whether the revenues from Telecommunication Service Providers are being collected efficiently and effectively.

4.2 Audit Scope

The main audited entities were the Tanzania Communications Regulatory Authority (TCRA), Tanzania Revenue Authority (TRA) and the Ministry of Works, Transport and Communications (MWTC), currently known as the Ministry of Information, Communication and Information Technology (MICIT). TCRA is responsible for, among other roles, providing telecommunication infrastructures for revenue collection. TRA is responsible for Tax revenue collection. The Ministry of Works, Transportation and Communications oversees the country's communication sector. Also, it is responsible for managing the National ICT Broadband Backbone. The audit covered four (4) financial years, i.e., from 2015/16 to 2018/19.

4.3 Main Audit Findings

Revenue Collection by TRA

(a) *Inadequate Planning and Implementation of Tax Audit Plans*

The audit noted that TRA tax audit plans did not cover all six (6) telecommunication service providers in every financial year. Even in those years in which Telecommunication Service Providers (TSP) were included in the audit plan, the plan was not implemented as approved. The effects of

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the tax audit are very positive. In one of the conducted tax audits of one TSP, TRA identified TZS 208 billion as a variance between VAT returns submitted and actual taxes paid.

(b) *Inadequate Use of Electronic Revenue Collection System (eRCS)*

TRA did not effectively use eRCS to verify the tax. In the financial year 2018/19, there was no confirmation that TZS. 681.33 billion was verified through eRCS.

(c) *Contradiction Between the Data Produced from eRCS and TRAS*

The audit team noted that there was a contradiction of information between the two electronic systems used to verify the correctness of tax returns submitted by TSPs. The information provided by eRCS differed from that drawn from TRAS, contrary to the expectations of their establishment. Because of the situation described above, verifying tax returns submitted by TSPs was difficult to identify true information. Until this audit report was concluded, no reconciliation was agreed upon after comparing the two (2) systems.

(d) *Inadequate Usage of Information from TRAS*

There had been inadequate usage of the Telecommunication Revenue Assurance System (TRAS) by TRA to verify the completeness of revenue and tax from telecommunication service providers. Whenever TRAS was not used, revenue amounts from telecommunication service providers were not objectively verified.

Facilitation of Revenue Collection by TCRA

(a) TCRA Lacked Compliance Trend Records

It was noted that TCRA did not adequately manage the compliance trend records of the TSPs. The team noted that there was no analysis of the compliance status of each licensee, and therefore, it was impossible to ascertain the level of compliance with the requirements for each licensee. Also, the records of the performance of TSPs were not based on the listed parameters in the inspection checklists.

(b) Monitoring of OTT Services by TCRA

The audit team noted that the TCRA could not monitor the revenue generated from Over the Top (OTT) Services. This was because the existing Telecommunications Traffic Monitoring System (TTMS) did not have a module for monitoring the OTT services.

(c) Coordination between TRA and TCRA

There had been inadequate coordination between TRA and TCRA in sharing information, which affected the taxation of telecommunication service providers. The two parties have not adequately implemented the agreed aspects in the Memorandum of Understanding (MoU). On the other hand, the audit team noted that TRA, being an administrator of revenue collection, did not spearhead the effort to ensure it gets the benefits from the MoU entered with TCRA.

(d) Monitoring the Performance of TCRA by MWTC

The Ministry of Works, Transportation and Communications (MWTC) has not adequately monitored the performance of TCRA in regulating the telecommunication sector to enhance revenue collection from Telecommunication service providers. The available monitoring plan has no key performance indicators for measuring TCRA's performance.

(e) Regulating National ICT Broadband Backbone

It was noted that MWTC oversees the implementation of the National Information and Communication Technologies Broadband Backbone (NICTBB). However, TCRA does not play a role in regulating the National ICT Broadband Backbone, despite the fact that NICTBB is one of the electronic communication infrastructures that qualifies to be regulated by TCRA. This infrastructure is under MWTC and operated by TTCL through its National ICT Broadband Backbone (NICTBB) unit.

4.4 Overall Audit Conclusion

Despite Government efforts through TRA toward improving revenue collection from Telecommunication Service Providers, more interventions were needed for further improvement. The findings presented in this report endorse that there were still some loopholes that would lead to loss of government revenue from the existing Telecommunication service providers. The Tanzania Revenue Authority and Tanzania Communications Regulatory Authority have not adequately worked together to ensure that revenues from telecommunication service providers are effectively collected.

Meanwhile, the observations of this report summarize that TRA had downplayed its role in tax collection from TSPs. However, TRA did not sufficiently fulfil its responsibility of ensuring that a tax audit was conducted for all TSPs. TRA's plan for tax audit did not cover all six (6) TSPs. Also, it did not effectively use the electronic revenue collection system (eRCS) and TRAS as reliable sources of information to verify the correctness of tax returns submitted by TSPs.

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

This part presents the implementation status of recommendations issued to the TCRA, TRA, and Ministry of Information, Communication and Information Technology (MICIT) on the performance audit of the Management of the Revenue collection from telecommunication service providers.

The implementation of the issued recommendations was measured using four levels in the classification of recommendations, namely, *fully implemented recommendations, partially implemented recommendations, not implemented recommendations,* and *overtaken by event recommendations*. The following subsections explain the details of the implementation status of the issued audit recommendations.

4.5.1 Overall Implementation of Issued Recommendations

A total of fifteen (15) recommendations were issued in this performance audit: four (4) recommendations were directed to TCRA, eight (8)

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recommendations were directed to TRA, and three (3) recommendations were directed to the Ministry of Information, Communication and Information Technology (MICIT). The overall follow-up results on implementing the issued audit recommendations indicated that out of fifteen (15) issued recommendations, no recommendation was fully implemented, eleven (11) were partially implemented, and four (4) were not implemented. **Table 4.1** details the implementation level for the three (3) audited entities.

Table 4.1: Level of Implementation of Recommendations by Audited Entities

Audited Entity	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
TCRA	4	0	4	0	0
TRA	8	0	5	3	0
MICIT	3	0	2	1	0
Total	**15**	**0**	**11**	**4**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 4.1 shows that, out of four (4) recommendations issued to TCRA, all four (4) were partially implemented. Similarly, it is indicated that out of eight (8) recommendations issued to TRA, five (5) were partially implemented, and three (3) were not implemented. Notably, out of three (3) recommendations issued to MICIT, two (2) were partially implemented, and one (1) was not implemented.

Further analysis of the issued recommendations for each category was made based on the four (4) implementation levels: fully, partially, not implemented, and overtaken by event. **Table 4.2** provides the level of implementation for all issued recommendations based on their categories.

Table 4.2: Level of Implementation of Recommendations by Audited Entities

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	2	0	2	0	0
Implementation/ Execution	8	0	5	3	0
Monitoring and Evaluation	1	0	0	1	0
Coordination	1	0	1	0	0
Development	3	0	3	0	0
Total	**15**	**0**	**11**	**4**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 4.2 indicates that out of fifteen (15) recommendations issued to TCRA, TRA and MICIT, eight (8) recommendations were in the Implementation/execution category, whereby five (5) of which were partially implemented, and the other three (3) were not implemented; three (3) recommendations were in the development category, whereas all were partially implemented. Two (2) recommendations were in the category of planning, and these were partially implemented. In addition, one (1) recommendation was in the category of Monitoring and evaluation, and it was not implemented, and one (1) recommendation was in the category of coordination, and it was partially implemented.

4.5.2 Results of Follow-Up of Implementation of Issued Recommendations to TCRA

This section details the implementation status of the issued recommendations to the Tanzania Communication Regulatory Authority (TCRA). A total of four (4) recommendations were issued to TCRA. All four (4) recommendations were partially implemented. Further analysis of the issued recommendations per each category of recommendation was made based on the analysis of the follow-up results. **Table 4.3** summarises the status of implementation of the recommendations issued to TCRA by category of recommendations.

Table 4.3: Level of Implementation of Recommendations by Category of Recommendations

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Implementation/ Execution	2	0	2	0	0
Coordination	1	0	1	0	0
Development	1	0	1	0	0
Total	**4**	**0**	**4**	**0**	**0**

Source: *Auditors' Analysis of the Responses on the Implementation Status of the Issued Recommendations (2023)*

Table 4.3 shows that out of four (4) recommendations issued to TCRA, two (2) were in the implementation category, and all were partially implemented. Likewise, one (1) recommendation, which was in the coordination category, was partially implemented. In addition, one (1) recommendation in the development category was partially implemented.

Below are the details of the implementation status of the issued recommendations based on the four (4) implementation levels: fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of four (4) recommendations issued to TCRA indicates that their implementation status fell under one (1) out of four (4) levels of implementation, which is partially implemented, as detailed below.

(i)   Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from TCRA indicated that four (4) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Establish a compliance level for all telecommunication service providers

From the recommendation, TCRA was required to ensure that compliance level is established for all telecommunication service providers by establishing the Enforcement and Compliance Guidelines stipulated in the action plan.

In response to the recommendation, the audit recognizes the presence of the Enforcement and Compliance Guidelines within the organization, which establish compliance levels for telecommunication service providers.

However, based on the evidence submitted, the Audit Team concluded that the issued recommendation was partly implemented because the audit will need to assess its implementation since its establishment. Also, the audit has not been provided with an implementation report showing the implementation of the established Enforcement and Compliance Guidelines since its last update, dated 28 June 2022.

Recommendation 2: Carry out regular studies to come up with the best mechanism for regulating Over-The-Top (OTT) applications and establish possible revenue collections from OTT services

Based on the recommendation, TCRA was required to carry out another study as part of regular studies to establish the best mechanisms to regulate OTT applications.

TCRA carried out a study in 2021 on the impact of OTT applications. The report concluded there is no need to establish regulatory control on OTT use as it will be counterproductive to consumer data consumption. Moreover, consumer data consumption is driven by OTT services; thus, any regulatory measures will result in a drastic drop in data traffic, leading to a decline in revenue generated from the use of data.

Therefore, the recommendation mentioned above was regarded as partially implemented because Auditors have found only one study report on mobile operators' Tele-Traffic and the impact of OTT Services dated 30 June 2021, and the study is not comprehensive able to conclude because it did not involve other key stakeholders like TRA.

Recommendation 3: Strengthen Collaborations to help TRA collect all revenues from Telecommunications Service Providers

In implementing the issued recommendation, TCRA was required to strengthen collaboration with TRA, including holding regular meetings to implement the agreed terms stipulated in the MoU.

TCRA explained that regular meetings between TCRA and TRA were held about the agreed terms of the MoU, as evidenced by meeting minutes.

However, the audit concludes that the issued recommendation was partially implemented; despite several meetings and minutes held between TRA and TCRA on implementing the terms agreed in the Memorandum of Understanding (MoU) for revenue collection from telecommunications service providers, The audit team did not find the follow-up action on the resolution and implementation reports after the meetings conducted between TRA and TCRA originated from the meetings conducted.

Recommendation 4: Ensure it fully implements terms agreed in the Memorandum of Understanding between itself and TRA to facilitate effective collection of tax revenue

The recommendation requires TCRA to hold regular meetings with TRA to facilitate the effective implementation of the agreed terms of the MoU, including an effective collection of tax revenue from telecommunication service providers.

In response to the recommendation, TCRA holds regular meetings with TRA and others that are still ongoing about the agreed terms of the MoU.

However, the audit concludes that the issued recommendation was Partially implemented because TCRA has not presented evidence demonstrating the full implementation of all terms outlined in the MoU between TCRA and TRA. However, a Memorandum of Understanding to allow TRA to collect all revenues from telecommunications service providers has not yet been provided

4.5.3 Results of Follow-Up of Implementation of Issued Recommendations to TRA

This section details the implementation status of the issued recommendations to the Tanzania Revenue Authority (TRA). A total of eight (8) recommendations were issued to TRA. Five (5) recommendations were partially implemented, and three (3) were not implemented. **Table 4.3** summarises the implementation status of the recommendations issued to TRA by category of recommendations.

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Table 4.4: Level of Implementation of Recommendations by Category of Recommendations

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	2	0	2	0	0
Implementation/ Execution	6	0	3	3	0
Total	**8**	**0**	**5**	**3**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 4.4 illustrates that two (2) of the eight (8) recommendations belong to the planning category, whereas six (6) are associated with implementation/execution. The analysis from **Table 4.4** indicates that five (5) out of eight (8) recommendations were partially implemented, while three (3) out of eight (8) were not implemented at all. Notably, none of the recommendations were fully implemented.

Below are the details of the implementation status of the issued recommendations based on the four (4) implementation levels: fully implemented, partially implemented, not implemented and overtaken by event. The analysis of eight (8) recommendations issued to TRA indicates that their implementation status fell under two (2) out of four (4) levels of implementation, which are partially implemented and not implemented, as detailed below.

(i)   Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from TRA indicated that five (5) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Improve its risk-based approach to ensure risky large taxpayers, including Telecommunication Service Providers (TSP), are included in the plan for Tax Audit

This recommendation required TRA to ensure that the audit planning activity should focus on a risk-based approach to ensure that all large, risky

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taxpayers, including Telecommunication Service Providers (TSP), are included in the plan for a tax audit.

The review of TRA's responses and the evidence indicates that the Annual Business Plan for the fiscal year 2022/23 has been approved. It was noted that TRA had incorporated telecommunication service providers for tax audits. This signifies a proactive step in implementing audit recommendations aimed at enhancing the risk-based approach, ensuring the inclusion of high-risk entities such as Telecommunication Service Providers (TSP) in the Tax Audit plan.

Though TRA has included telecommunication service providers in the plan, the absence of a progress report detailing whether TRA has conducted audits on these providers, as outlined in the plan, leaves this recommendation categorized as partially implemented. A report on the status of the audits would provide a comprehensive understanding of the progress made in executing the intended actions outlined in the Annual Business Plan.

Recommendation 2: Allocate its resources (budget, human resources, time and required equipment) for tax audit for auditing all Telecommunication Service Providers each year

The recommendation required TRA to ensure that it allocates its resources (budget, human resources, time, and required equipment) for tax audits to audit all telecommunication service providers annually.

In response to this recommendation, TRA has put the Telecom sector retreat in place to maintain consistency in applying tax laws and impart knowledge to staff as part of mentoring and coaching to build capacity.

However, the audit recognizes the approval of the retreat for conducting joint tax audits in the Telecom sector. Despite this acknowledgement, the audit team lacks sufficient evidence to confirm the actual execution of the joint audit for those specific telecom sectors. Additionally, the TRA has not provided evidence demonstrating the allocation of resources in line with the recommendation. Based on these findings, the audit concludes that TRA has only partially implemented the recommendation.

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Recommendation 3: Verify and reconcile all submitted tax returns by using reliable established systems such as the Electronic Revenue Collection System (eRCS) and Telecommunications Revenue Assurance Systems (TRAS)

The recommendation requires the TRA to verify and reconcile all submitted tax returns using reliable established systems such as the Electronic Revenue Collection System (eRCS) and Telecommunications Revenue Assurance Systems (TRAS).

In response to this recommendation, TRA pointed out that it has upgraded its internet bandwidth from 100Mbps to 300Mbps and upgraded TIX Link from 100Mbps to 1,000Mbps.

TRA has shown initiative in sharing with TCRA a list of telecommunication services subjected to tax and the format of submitting them when requested. However, TRA has not provided evidence of recorded information concerning communication services that may be susceptible to misuse, potentially impacting tax matters. Based on these findings, the audit concludes that TRA has only partially implemented the recommendation.

Due to the initiative on sharing with TCRA a list of telecommunication services subjected to tax and format of submitting them when are requested. As a result, TRA reconciled with those telecom service providers, and the report indicates that the total telecom service revenue in Tanzania is projected to reach USD 2.2 billion in 2023.

Recommendation 4: Document information communication services that are likely to be the subject of abuse of tax revenue

The recommendation requires the TRA to document information communication services that are likely to be the subject of abuse of tax revenue).

In response to this recommendation, TRA pointed out that, before the implementation of e-filing: - Monthly reconciliations were done by TRA through the Data Center, whereby sales records from the billing system of the MNOs were directly integrated with eRCS through the ATI link, which

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sends sales records (inclusive of charges) to the data centre. At the end of each month, the data centre team and MNO reconcile the sales and tax payables. After such reconciliations, MNOs file returns based on the reconciled records.

Also, TRA responded that after launching the e-filing, effective March 2023, sales declared in VAT returns pop up directly from EFDMS. However, reconciliation between MNOs and Data Centers continues. In case sales in VAT returns differ from reconciled sales by MNOs and Data centres, the MNO writes a letter to TRA for adjustment.

Auditors acknowledge that TRA has taken some initiatives, such as communication between the TRA and Telecom sectors, regarding the said matter. However, the audit has not seen the adjustment letter from Vodacom attached herein. Also, no evidence shows if the monthly reconciliation was carried out using (eRCS) and (TRAS). Based on these findings, the audit concludes that TRA has only partially implemented the recommendation.

Recommendation 5: Ensure that it expands its server storage capacity and network (bandwidth) to be able to connect and store large files of revenues from Telecommunication Service Providers

The recommendation requires TRA to ensure that it expands its server storage capacity and network (bandwidth) to connect and store large files of revenues from Telecommunication Service Providers.

In response to this recommendation, TRA pointed out that eRCS Storage Capacity has been upgraded, and payment for the consumed e-RCS services hosted at NIDC has been made. TRA has shown a remarkable initiative in expanding the storage capacity of eRCS. However, progress reports and physical observations are necessary to ascertain the system's expansion accurately. Based on these findings, the audit concludes that TRA has only partially implemented the recommendation.

The audit noted the initial impact, as the Tanzania Revenue Authority (TRA) has enhanced the eRACS storage capacity, consequently expanding the number of telecom service providers under monitoring for revenue collection.

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(ii)   Details of Recommendations that Were Not Implemented

The analysis of submitted evidence and information from TRA indicated that three (3) recommendations were not implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Ensure that the Commissioner General has full access to the Electronic Revenue Collection System (eRCS) as required by the Tax Administration (Electronic Revenue Collection System Regulations) of 2017

The recommendation requires the Commissioner General to have full access to the Electronic Revenue Collection System (eRCS) as required by the Tax Administration (Electronic Revenue Collection System Regulations) of 2017.

In their response, TRA Management has attempted for the system to be handed over. However, TRA has not furnished evidence demonstrating the implementation of the audit recommendations. Also, the letter of March 2023 is missing. Therefore, this recommendation is stated as not implemented till the completeness of the system is stated.

The audit team noted that the TRA has not furnished evidence demonstrating the implementation of the audit recommendations. Also, the letter of March 2023 is missing. Based on these findings, the audit concludes that TRA has not implemented the recommendation.

Recommendation 2: Carry out a thorough analysis of the skills gap among its staff who are responsible for using Telecommunication Revenue Assurance Systems (TRAS) for tax revenue verifications and enhance their knowledge through regular training

The recommendation requires TRA to thoroughly analyse the skills gap among its staff who are responsible for using Telecommunication Revenue Assurance Systems (TRAS) for tax revenue verifications and enhance their knowledge through regular training.

In their response, joint meetings and training were conducted between TRA, TCRA, and the data centre to impart knowledge on the TCRA system and eRCS.

The auditor's analysis indicates that TRA has not provided substantiating evidence indicating the execution of the audit recommendations. The provided attendance registry does not confirm whether the mentioned participants received training on matters about telecommunication revenue collection. Therefore, this recommendation is stated as not implemented till the completeness of the system is stated.

Recommendation 3: Ensure it fully adheres to and effectively implements all the agreed terms in the Memorandum of Understanding between itself and TCRA and utilize the available information for the collection of sufficient revenue

The recommendation requires TRA to ensure it fully adheres to and effectively implements all the agreed terms in the Memorandum of Understanding between itself and TCRA and utilize the available information to collect sufficient revenue.

TRA did not respond to this question. Therefore, this recommendation is stated as not implemented till the completeness of the system is stated.

4.5.4 Results of Follow-Up of Implementation of Issued Recommendations to MICIT

This section details the implementation status of the issued recommendations to the Ministry of Information, Communication and Information Technology (MICIT). A total of three (3) recommendations were issued to MICIT. None of the recommendations were fully implemented, two (2) recommendations were partially implemented, and one (1) recommendation was not implemented. **Table 4.5** summarises the implementation status of the recommendations issued to MICIT by category.

Table 4.5: Level of Implementation of Recommendations by Category of Recommendations

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Monitoring, Evaluation and Supervision	1	0	0	1	0
Development	2	0	2	0	0
Total	3	0	2	1	0

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 4.5 illustrates that two (2) of the three (3) recommendations belong to the development category, whereas one (1) is associated with monitoring, evaluation and supervision. The table indicates that two (2) out of three (3) recommendations were partially implemented, while one (1) out of three (3) was not implemented. Notably, none of the recommendations were fully implemented.

Below are the details of the implementation status of the issued recommendations based on the four levels of implementation, namely, fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of three (3) recommendations issued to MICIT indicates that their implementation status fell under two (2) out of four (4) levels of implementation, which are partially implemented and not implemented, as detailed below.

(i)   Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from MICIT indicated that two (2) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Develop Monitoring and evaluation indicators for regulating the performance of TCRA in the regulating telecommunication sector

Based on the recommendation, MICIT is required to review and update milestones, targets, and indicators to monitor the performance of TCRA and

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ensure they comply with the National ICT policy. Also, MICIT ensured the submission of TCRA quarterly, mid-year, and annual performance reports, action plans, and budget approvals to the Ministry. MICIT was also required to evaluate the efficiency and effectiveness of the TCRA implementation of the National ICT Policy on strategy, where the findings will be used as input in formulating a new National ICT Policy implementation.

Based on the responses from the Ministry, which are embedded with evidence, MICIT has developed indicators for monitoring the performance of TCRA in terms of revenue collection from telecommunication service providers for the financial year 2022/23 to 2026/27. This represents a proactive move in putting the audit recommendation into practice meant to monitor TCRA.

However, the audit concludes that MICIT has only partially implemented the recommendation because the Ministry acknowledges with evidence the regular receipt of TCRA performance reports, including quarterly performance reports for the financial years 2020/21 and 2021/22. Still, there is no submitted Ministry feedback or recommendations report to be sent back to TCRA for rectification.

Recommendation 2: Ensure there is an institutional setup for the legal establishment of NICTBB as an autonomous, separate entity to facilitate its regulation and eliminate conflicts of interest

The recommendation requires the MICIT to ensure an institutional setup for the legal establishment of NICTBB as an autonomous, separate entity to facilitate its regulation and eliminate conflicts of interest.

In responding to the recommendation, the audit recognizes the ongoing process of transferring the responsibilities for managing NICTBB to TTCL, marking a crucial step for the legal establishment of NICTBB as an autonomous and distinct entity. This restructuring aims to facilitate its regulation and mitigate conflicts of interest.

Based on this finding, the audit concludes that the recommendation is partially implemented as the process is underway because NICTBB ownership is in process to TTCL as per Presidential directive through a letter with Ref. No. SEA.429/546/01'B'/60 dated 08 November 2022, and the

MICIT handed over the NICTBB to TTCL through letters with Ref No. CA.355/356/01/A dated 8 November 2022 and Ref No. SCA.355/356/01/26 dated 17 August 2023. The approval of the NICTBB transfer from the Cabinet is still being processed.

(ii)   Details of Recommendation that Was Not Implemented

The analysis of submitted evidence and information from MICIT indicated that one (1) recommendation was not implemented. This recommendation and the status of implementation are explained below:

Recommendation 1: Ensure that TCRA adheres to and effectively implements all the agreed terms in the Memorandum of Understanding between itself and TRA to facilitate the effective collection of tax revenue

The recommendation requires the MICIT to ensure that TCRA adheres to and effectively implements all the agreed terms in the Memorandum of Understanding (MoU) between itself and TRA to facilitate the effective collection of tax revenue. In responding to the recommendation with evidence, the MICIT pointed out the following:

Regular meetings between TCRA and TRA were held, and others are still ongoing in relation to the agreed terms of the MoU. MoU is under review and will be finalized before the end of quarter two of the financial year 2023/2024.

Through regular meetings between TCRA and TRA, an agreement has been reached to resolve/reconcile issues regarding revenue collection in the first week of each month.

However, there were no reports showing that follow-up was made by the ministry to ensure that TCRA implemented the components provided in the MoU between TRA and TCRA. The ministry needs to play its role by actively ensuring that TCRA strictly adheres to the stipulated components outlined in the Memorandum of Understanding (MoU) between TCRA and TRA.

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Therefore, this recommendation is not implemented because no correspondences are provided in supporting MICIT guidance on the review of MoU to provide appropriate support to TRA in revenue collection and ensuring regular communication with TCRA and TRA in identifying challenges/barriers hindering revenue collection in Telecommunication Service providers.

4.5 Specific Conclusion

Based on the analysis made on the implementation status and review of the submitted supporting evidence by the three (3) audited entities, eleven (11) recommendations were partially implemented, and four (4) were not implemented. This leads to the conclusion that the three (3) audited entities, namely TCRA, TRA and MICIT, indicated initiatives to ensure the implementation of the issued recommendations.

Similarly, based on eleven (11) partially implemented recommendations, only one (1) has shown a very initial impact, but the rest had no notable impact towards enhancing revenue collection from Telcom Service Providers.

However, officials from the audited entities are advised to deploy more effort to ensure that all recommendations are implemented according to the commitment that TCRA, TRA, and MICIT made to CAG.

4.6 Specific Recommendations

Recommendations to the Tanzania Communication Regulatory Authority (TCRA)

Tanzania Communication Regulatory Authority is urged to:

1. Ensure that all recommendations that were marked as partially implemented are fully implemented;

2. Liaise with TRA and MICIT to ensure full implementation of the issued recommendations that are collaborative; and

3. TCRA should ensure that they devise mechanisms for follow-up of

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all previously issued recommendations and ensure that all recommendations are implemented according to the planned actions.

Recommendations to the Tanzania Revenue Authority (TRA)

Tanzania Revenue Authority is urged to:

1. Ensure that all recommendations that were marked as partially implemented and not implemented are fully implemented; and

2. Liaise with TCRA to ensure full implementation of the issued recommendations that are collaborative in nature.

Recommendations to the Ministry of Information, Communication and Information Technology (MICIT)

Ministry of Information, Communication and Information Technology is urged to:

1. Ensure that all recommendations that were marked as partially implemented are fully implemented; and

2. Liaise with TCRA to ensure the collaborative implementation of the issued recommendations.

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CHAPTER FIVE

FOLLOW-UP AND IMPACT ASSESSMENT ON THE IMPLEMENTATION OF PERFORMANCE AUDIT REPORT ON ACCESS TO QUALITY VOCATIONAL EDUCATION AND TRAINING

5.1 Background to the Audit

Performance Audit Report on the Performance Audit Report Access to Quality Vocational Education and Training was tabled before the Parliament of the United Republic of Tanzania in March 2020. The overall objective of the audit was to assess whether the Ministry of Education, Science and Technology has ensured Tanzanians have access to quality Vocational Education and Training to enhance skills development and meet labour market demands.

5.2 Audit Scope

The main audited entity was the Ministry of Education, Science, and Technology (MoEST), which was responsible for coordinating and ensuring access to quality vocational education and training in the country. The audit also covered the Vocational Education and Training Authority (VETA), an entity under the Ministry of Education responsible for providing vocational education and training and regulating its provision.

The audit assessed the government's efforts to improve access to quality vocational education and training, including entry qualifications, quality enhancement mechanisms, funding, and performance monitoring. It covered the entire country. Data from MoEST and VETA examined practices addressing access to quality Vocational Education and Training. The audit covered six (6) financial years from 2013/14 to 2018/19, establishing trends in provision and impact on skills development for labour market demands.

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5.3 Main Audit Findings

(a) Fewer Applicants were Selected for Vocational Education and Training

VETA officials disclosed that the number of qualified applicants exceeded the percentage of enrolled students in the centres. An audit analysis of VETA enrollment data from 2013 to 2018 showed that only 23% of applicants were selected for Vocational Education and Training. Fewer students enrolled due to limited capacity. VETA centres were the top choice for most Tanzanian families because of their affordability, thanks to government subsidies for students from lower-income backgrounds. This was noted due to the following:

(i) Vocational Education Students Decreased Across all Types of Disabilities

Students with albinism were less enrolled by 81%, followed by students with hearing impairment by 80%. Mental and students with autism enrollment increased by 5% and 14%, respectively. Lack of tools and infrastructure, such as learning assistive devices for trainees with disabilities, were cited as reasons for low enrollment. None of the VETA-owned centres had to learn assistive devices for students with disabilities. VETA-owned centres enrolled only 1% of students with disabilities, while 99% were enrolled in other VET centres.

(ii) Inadequate Enrolment Capacity of VET Service Providers

Officials at VETA cited a lack of capacity at VET centres as a reason for inadequate student enrollment. In 2018, all VET centres in Tanzania had a total enrollment capacity of around 190,000 students, per VETA statistics.

(iii) Imbalances in the Geographical Distribution of Centres

VETA's corporate plan aimed to ensure an even geographical distribution of VET centres to improve access. However, an audit revealed an imbalance in distribution across the country. MoEST planned to build VET centres in every district to counter the shortage, but only two (2) out of twenty-eight (28) planned centres were built from 2012/13 to 2018/19. This has affected the

distribution of VET centres by geographical zones. The unequal distribution of VET centres has affected student enrollment in vocational programs. The northern zone has 26% of the centres, while the western zone has only 6%.

(b) Significant Number of Centres Do Not Meet the Requisite Occupational Quality Standards

In 2014, VETA was required to categorize its centres according to their accreditation status to demonstrate the achievement level in meeting occupational standards[2]. The TVET plan mandated that VETA increase the number of VET centres obtaining full registration from 25% in 2011/2012 to at least 75% in 2017/2018 within three years after receiving provisional registration. However, an audit analysis of VETA's registration data revealed that they had failed to achieve this goal. In the comparison of registered VET providers with full and preliminary registration, only 9% of the Vocational Education Service Providers were fully registered.

Less than 15% of unregistered centres differed across zones, with Dar-es-salaam having the highest percentage of unregistered service providers. Additionally, preliminarily registered centres in other zones ranged from 81% to 92%. VET centres failed to register fully because of the lack of adequate equipment, training materials, books, and qualified vocational teachers with workplace experience, which affected the quality of vocational graduates produced.

Other observed reasons for the failure to meet the requisite occupational quality standards were:

(i) VET Centres Wasted Much Time in the Preliminary Registration Status

Most VET centres took more than five years to be accredited despite the requirement to do so within five years after preliminary registration. None of the 650 registered VET centres became fully accredited within five (5) years. In Dar-es-salaam and Northern Zones, over 70% of VETA centres took more than five (5) years. The Lake zone had less than 45% of its centres in the same status. According to interviews, VETA was lenient due to the high demand for VET compared to available capacity.

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[2] Accreditation of VET Programmes Guidelines and Procedures of 2014

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(ii) Ineffective Compliance Monitoring by VETA Zone Offices

As per VETA Act Cap 22 of 2006, zone offices were responsible for inspecting all vocational training centres to ensure compliance with required standards. However, compliance monitoring was not adequately carried out, leaving out other VET providers. Lack of personnel and financial constraints were cited as reasons for this omission. Failure to visit VET providers increased the risk of violating standards and compromising the country's quality of Vocational Education and Training.

(iii) Ineffective Conduct of Quality Audits

VETA was supposed to conduct quality audits on all VET centres at least once every three years to ensure they maintained sound registration and accreditation standards. However, audits were rarely conducted. For example, in the last six years (2013/14 to 2018/19), only 13% of registered VET providers were audited. Officials at VETA explained that the main reason for the ineffective quality audits was the absence of a dedicated quality audit unit that reported directly to the Director General, which went against section 8 of the Guidelines for Risk-Based Quality Audits of VET centres.

(iv) Ineffective Review of the VETA Curricula

VETA's curricula were required to be reviewed every five years to include labour market signals. However, over 80% of the VETA curricula expired in May 2018, and there were delays in reviewing them. This was due to the lack of an effective quality assurance mechanism for follow-up on the curriculum's implementation. Additionally, labour market surveys did not inform the curriculum reviews and development. These delays resulted in curriculum inputs, processes, outputs, and outcomes that were not aligned with the current needs of employers, graduates, and society, negatively impacting the quality of Vocational Education and Training offered in the country.

(v) Insufficient Number of Teachers to Ensure Quality of Vocational Education and Training

The TVET Policy of 2012 identified a lack of quality VET teachers, contributing to lower education standards in VET centres. Interviews with officials from MoEST and VETA confirmed an insufficient number of quality VET teachers in the country. The 2018/19 Accreditation Reports from VETA cited a lack of qualified teachers as a reason for non-accreditation of centres. VETA's annual reports indicated that the shortage of quality VET teachers is a major challenge facing both VETA and VET centres. An audit comparing the number of required and available VET teachers revealed a significant deficit.

(c) Inadequate and Unsustainable financing of Vocational Education and Training

During the audited period, only 51% of the required Skills Development Levy (SDL) was allocated to VETA, ranging from 29% to 65%. The allocated amount was inadequate to finance VET activities due to increasing operational costs, resulting in VETA's inability to reach its set goals, such as increasing access to vocational education in the country. The most affected activities were capacity building and teacher attachment to the industry, which were left out due to inadequate funds.

Observed causes for inadequate and unsustainable financing of Vocational Education and Training were:

(i) Ineffective model for allocating funds to Vocational Education and Training Centers; therefore, Funding to VETA centres varied widely in the last five years (from 2013 to 2019), ranging from 0-49%. Funds were allocated differently across centres due to the previous year's enrolments and budgets. The lack of a system that prioritizes economic sectors or skills based on changing trends resulted in an ineffective resource allocation model; and

(ii) The audit analysis revealed delays in disbursing funds to VETA centres for six years. The delays ranged from 12.5 to 48.14 days per quarter on average. According to interviews with officials at MoEST,

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the delays were caused by the late disbursement of funds from the Ministry of Finance (MoF).

(d) Inadequate Monitoring and Evaluation of VETA by MoEST

The Ministry of Education monitored and evaluated Vocational Education and Training at all levels, per the TVET M&E Framework. However, it was found to be inadequate during interviews with officials and a review of M&E Reports. This was because:

(i) **Ineffective Monitoring and Evaluation of VETA Performance**: MoEST was expected to establish a monitoring and evaluation system, including benchmarks, to ensure quality vocational education and training at a national level. However, an audit revealed that the Ministry did not effectively monitor VETA's activities in this regard. VETA did not submit performance reports to the Ministry, and the Ministry did not conduct independent evaluations of VETA's performance in providing access to quality vocational education and training.

(ii) **Ineffective Monitoring and Evaluation Framework for Vocational Education and Training:** MoEST was responsible for developing a monitoring and evaluation framework with key performance indicators for vocational education. However, the audit found that the available data and indicators were insufficient and ineffective. This impacts the accountability and transparency of the country's implementation of vocational education and training.

(iii) **Ineffective development and use of Key performance indicators to measure access to quality Vocational Education and Training provided by VETA:** ESDP's main focus was on improving access to VET education and learning outcomes for all learners. This was achieved by enhancing teacher training, expanding infrastructure, and implementing Key Performance Indicators. However, the VETA's Corporate Plans did not include KPIs for measuring progress on access to quality VET. Similarly, the KPIs identified in the plans were not used to report VETA's progress towards its goals.

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(iv) *Ineffective reporting of Monitoring and Evaluation results by MoEST and VETA:* The audit noted the existence of ineffective monitoring and evaluation of activities conducted by MoEST. Additionally, it was observed that adequate reporting mechanisms for the performance of vocational education were missing in the country. The main reason for this was that monitoring and evaluation were conducted by VETA, which submitted reports to the Ministry to monitor VET activities. The audit found that VETA's monitoring and evaluation activities were conducted by VETA staff with no active involvement of external evaluators, violating the M&E guidelines.

5.4 Overall Audit Conclusion

Despite government efforts being put in place through the Ministry of Education, Science and Technology (MoEST) and the Vocational Education and Training Authority (VETA) to improve access to quality vocational education and training, more interventions are needed for further improvements. The audit generally found ineffectiveness in ensuring Tanzanians have access to quality Vocational Education and Training to enhance their skills development and meet labour market demands and economy-wide needs.

5.5 Results of the Follow-up and Impact Assessment on the Implementation of Recommendations

This part presents the implementation status of the recommendations issued to the Ministry of Education, Science and Technology (MoEST) and the Vocational Education and Training Authority (VETA) on the performance audit of the Performance Audit Report on Access to Quality Vocational Education and Training.

The implementation of the issued recommendations was measured using four levels in the classification of recommendations, namely, *fully implemented recommendations, partially implemented recommendations, not implemented recommendations,* and *overtaken by event recommendations*. The following subsections provide an explanation of the status of the implementation of the issued audit recommendations.

5.5.1 Overall Implementation of Issued Recommendations

A total of twelve (12) recommendations were issued in this performance audit. Six (6) recommendations were directed to the MoEST, and the other six (6) recommendations were directed to VETA. The overall follow-up results on implementing the issued audit recommendations indicated that out of twelve (12) issued recommendations, three (3) recommendations were fully implemented, five (5) were partially implemented, two (2) were not implemented, and two (2) recommendations were overtaken by events. **Table 5.1** details the implementation level for the two audited entities.

Table 5.1: Level of Implementation of Recommendations by Audited Entities

Audited Entity	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
MoEST	6	2	3	1	0
VETA	6	1	2	1	2
Total	**12**	**3**	**5**	**2**	**2**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 5.1 shows that out of six (6) issued recommendations to MoEST, two (2) were fully implemented, three (3) were partially implemented, and one (1) was not implemented. Similarly, it is indicated that out of six (6) recommendations issued to VETA, one (1) recommendation was fully implemented, two (2) were partially implemented, one (1) was not implemented, and two (2) were overtaken by the events.

Further analysis of the issued recommendations for each category was made based on the four (4) implementation levels: fully, partially, not implemented, and overtaken by event. **Table 5.2** provides the level of implementation for all issued recommendations based on these categories.

Table 5.2: Level of Implementation of Recommendations by Audited Entities

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Implementation /Execution	5	0	3	1	1
Monitoring and Evaluation	2	1	0	0	1
Development	5	2	2	1	0
Total	12	3	5	2	2

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 5.2 indicates that out of twelve (12) recommendations issued to MoEST and VETA, five (5) recommendations were in the implementation category, of which three (3) were partially implemented, one (1) was not implemented, and one (1) was overtaken by events. Two (2) recommendations were in the Monitoring and Evaluation category, of which one (1) recommendation was fully implemented, and one (1) was overtaken by even. Likewise, five (5) recommendations were in the Development category, of which two (2) were fully implemented, two (2) were partially implemented, and one (1) was not implemented.

5.5.2 Results of Follow-Up and Impact Assessment of Implementation of Issued Recommendations to MoEST

This section details the implementation status of the issued recommendations to the Ministry of Education, Science and Technology (MoEST). A total of six (6) recommendations were issued to MoEST. Two (2) recommendations were fully implemented, three (3) recommendations were partially implemented, and one (1) recommendation was not implemented. **Table 5.3** summarises the implementation status of the recommendations issued to MoEST by category.

Table 5.3: Level of Implementation of Recommendations by Category of Recommendations by MoEST

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Implementation/ Execution	2	0	2	0	0
Monitoring and Evaluation	1	1	0	0	0
Development	3	1	1	1	0
Total	**6**	**2**	**3**	**1**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 5.3 indicates that out of six (6) recommendations issued to MoEST, two (2) recommendations in the implementation category were partially implemented. One (1) recommendation, which was in the Monitoring and Evaluation category, was fully implemented. Likewise, three (3) recommendations were in the Development category, of which one (1) was fully implemented, one (1) was partially implemented, and one (1) was not implemented.

Below are the details of the implementation status of the issued recommendations based on the four levels of implementation, namely, fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of six (6) recommendations issued to MoEST indicates that their implementation status fell under three (3) out of four (4) levels of implementation, namely, fully implemented, partially implemented and not implemented, as detailed below.

(i) Details of Recommendations that Were Fully Implemented

The analysis of submitted evidence and information from MoEST indicated that two (2) recommendations were fully implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: *Establish an independent Quality Assurance Function for Vocational Education and Training*

The audit recommended an independent Quality Assurance Function for Vocational Education and Training as a crucial measure to ensure the quality of education and training was maintained at a high level. This function could potentially be responsible for monitoring and evaluating the quality of training programs, assessing the effectiveness of training delivery, and identifying improvement areas.

A review of the action plan revealed that MoEST planned to prepare cabinet papers involving the amendments of laws that established both VETA and NACTE. In terms of implementation status, the ministry informed the follow-up audit team that the regulatory function of VET had been shifted from VETA to The National Council of Technical and Vocational Education and Training (NACTVET). This change was made in 2021 through the Written Laws (Miscellaneous Amendment) Act No. 6 of 2021, which amended the Vocational Education and Training (VET) Act.

The amendment brought about the transfer of VET's regulatory function from VETA to NACTVET. This meant that NACTVET was now responsible for regulating and overseeing the country's quality of vocational education and training. The change was made to improve the efficiency and effectiveness of the regulatory function and ensure that the quality of vocational education and training is maintained and improved over time.

Fully implementing the recommendation to establish an independent Quality Assurance Function for Vocational Education and Training significantly impacts the quality of education and training provided to students. After the vested role of quality assurance to the National Council for Technical and Vocational Education and Training (NACTVET), now NACTVET registers and accredits technical institutions and vocational education training centres that can offer courses. To achieve this, the Council has developed a set of requirements and procedures that institutions must meet before they can be registered as technical institutions or vocational education training centres[3]. The stakeholders' confidence in the system increased after resolving VETA's contradictory role as both a service provider and a regulator. Overall, it can contribute to

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developing a more efficient and effective vocational education and training system.

Recommendation 2: Strengthen the Monitoring and Evaluation mechanism for Vocational Education and Training to ensure policies, objectives and plans for access to quality vocational education and training are effectively met

This recommendation required MoEST to strengthen the monitoring and evaluation mechanism for vocational education and training to ensure that policies, objectives, and plans for access to quality vocational education and training are effectively met. In the action plan developed to implement this recommendation, MoEST reformed M&E systems to respond to training needs, policies, objectives and plans for access and address the potential risks of generating an important volume of data using an Information Education Management System (EMIS).

Upon reviewing the response submitted by MoEST, it was found that the regulatory function of VET was shifted from VETA to NACTVET as a mechanism to strengthen the monitoring and evaluation mechanism for vocational education and training. This was done through the amendment of the VET Act in 2021 via the Written Laws (Miscellaneous Amendment) Act No. 6 of 2021.

Moreover, after being assigned the responsibility of Monitoring the VET Centres, NACTVET conducted Monitoring activities at one hundred thirty-seven (137) VET centres to assess their efficiency in providing Technical Education. The monitoring and evaluation addressed six (6) aspects: Institutional governance and administration, availability of key policies and organization structure, programs offered and enrolments, human resources, physical facilities, utilities and support services, and financial resources. The conducted M&E revealed the challenges weakening the efficiency in the provision of Technical Education, which included a lack of teaching facilities and teachers to meet the minimum requirements. Additionally, through the conducted M&E, a recommendation was issued to VET Centres to improve the performance of the registered VET Centres.

Further review of the M&E report submitted by NACTVET in November 2023 revealed that NACTVET conducted a special academic quality exercise for twenty-six (26) health training institutions after receiving concerns from the

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Ministry of Health (MoH) regarding seven health training institutions that were conducting training programs without adhering to the prescribed procedures. This indicates that monitoring by NACTVET was strengthened by conducting M&E to all twenty-six (26) Health Training Institutions and not only seven (7) in concern. Therefore, this recommendation was fully implemented.

It was observed that the Ministry's ability to implement this recommendation resulted in the formation of NACTVET as an independent monitoring institution. Also, through an independent monitoring institution (NACTVET), monitoring was conducted in one hundred thirty-seven (137) VET centres, and recommendations were issued for all VET centres, hence indicating an improvement in the efficiency of technical education. This could have a positive impact on the economy, as there would be an increase in the number of skilled and competent workers who could match the skills of the workforce and the needs of the industry.

(ii)   Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from MoEST indicated that three (3) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: MoEST through VETA should ensure that Vocational Education Information and Education Management system are integrated in order to have quality and reliable VET Data

This recommendation required integrating both Vocational Education Information and Education Management systems. This integration would allow for a streamlined flow of information, leading to more efficient and effective management of VET programs and resources. Ultimately, this would result in better student outcomes and a stronger vocational education system overall.

In response to the addressed recommendation, MoEST planned to develop a strategy to ensure that all labour market surveys are conducted in collaboration with the Sector Skills Councils. The surveys will be used to forecast the demand and supply of private sector jobs and other stakeholders' needs. This would facilitate their participation in developing

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VET training programs that align with current and future labour market demands. In that matter, MoEST planned to create a VET Data MIS (Management Information System) through VETA that would enable efficient tracking of labour market information, which should have commenced in June 2021.

However, the follow-up found late commencement of the development of the VET Data MIS, in which procurement for the developer contractor (InfoWise Systems Ltd) was made on 19 April 2023, accounting for a total of twenty -two (22) months delay from the planned commencement date.

Based on the Progress Report as of October 2023, the follow-up on the Development of the VET Data Management Information System (VET Data MIS) revealed that several activities had been implemented, such as preparing working modalities and scoping, requirement elicitation, review and analysis, system architecture design, system development, and unit testing. However, some pending activities were identified that needed to be completed for the full implementation of the system, which was planned to be commissioned on 17 November 2023. These activities include Factory Acceptance Testing (FAT), User Acceptance Testing (UAT), documentation writing, end-user training, system deployment, and system commissioning.

It was revealed that MoEST made a late start in developing the VET Data MIS and commissioned the system late. At the time of this follow-up, the system was at 80% completion and expected to be completed before 30 December 2023.

Furthermore, interviews with VETA officials revealed that the MIS system was developed to accommodate data from VET centres under VETA only, not all VET centres in the country. Therefore, this recommendation was partially implemented.

Partially implementing the recommendation to integrate Vocational Education Information and Education Management systems could result in incomplete or inaccurate VET data. This could lead to difficulties in monitoring and evaluating the effectiveness of vocational education programs and challenges in making informed decisions about resource allocation and policy development.

Recommendation 2: Enhance the timely funding system to the Vocational centres to ascertain that VET activities are not paralyzed due to delayed disbursement of funds

This recommendation required the funding system for Vocational Education and Training (VET) centres to be enhanced to ensure timely disbursement of funds. Delayed disbursement of funds could have resulted in the paralysis of VET activities, which was detrimental to the education and training of students.

In response to this recommendation, MoEST planned to closely follow up on the timely disbursement. Interviews with MoEST officials revealed that the disbursement of funds was done monthly after collection. The Ministry of Finance made the disbursement.

MoEST submitted payment vouchers as evidence. The analysis was done and presented in a table showing payments evaluated monthly over the years in concern (2021 to 2023) in **Table 5.4**.

Table 5.4: Disbursement of Funds to VETA from MoEST in Billions TZS (2021/22 – 2023/24)

Months	Financial Year		
	2021/22	2022/23	2023/24
January	0	2.65	0
February	0	4.50	0
March	0	4.50	0
April	0	0	0
May	0	0	4.0
June	0	5.90	8.71
July	2.78	0	3.50
August	0	0	4.50
September	0	0	4.50
October	7.89	0	0
September	2.68	0	0
October	0	0	0
November	2.67	0	0
December	2.66	0	0
Total of months for fund disbursement in a year	5	4	5
Months where payments were made monthly	4	3	5

Source: *Auditors' Analysis on the Payment Vouchers from MoEST (2023)*

Table 5.4 indicates that the SDL funds were disbursed to VETA in July, October, September, November, and December for Financial year 2021/22; January, February, March, and June for financial year 2022/23; and May, June, July, August, and September, for financial year 2023/24. However, the funds were required to be disbursed each month. Therefore, this recommendation was partially implemented.

This lack of timely disbursement for 24 months negatively impacted VETA's operations, as it hindered vocational education and training to support the provision of effective education and training needed adequately.

Recommendation 3: Facilitate formal partnerships between VETA, VET providers and employers to enhance the relevancy of VET graduates in the labour market

This recommendation required MoEST to facilitate formal partnerships between VETA, VET providers and employers to enhance the relevancy of VET graduates in the labour market. In the action plan developed to implement this recommendation, MoEST planned to foresee the implementation of roles and responsibilities of the Sector Skills Councils.

A review of the implementation status revealed that thirteen (13) Sector Trade Advisory Committees (TAC) were formulated every three years, and members were nominated by Employers, other VET providers and VETA Staff. Further review of the committee's responsibility revealed that, despite reviewing curricula for VET education, the TAC Committee was responsible for ensuring that the employment market was informed about training activities under committees and promoting placements for students.

However, the follow-up team was not provided with documents as evidence for the team to effectively assess the activities performed by the committees other than review, comments for improvement and approval of curricula to enhance the relevancy of VET graduates in the labour market. Therefore, this recommendation was partially implemented.

Audit analysis indicates that full Implementation of this recommendation will have non-financial impacts on VET graduates as it will increase the percentage of employed VET graduates.

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The national tracer report in March 2019 revealed that the employment status of 2010-2015 VET graduates is 75%. However, during this follow-up audit, the National Tracer Report for the Employment status of VET graduates for 2015-2020 was under preparation. The tracer report was conducted every five years to assess the relevancy of VET graduates in the labour market.

(iii)   Details of Recommendation that Was Not Implemented

The analysis of submitted evidence and information from MoEST indicated that one (1) recommendation was not implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Ensure that VET teachers are registered and are in a database which will include all necessary details that can be used when planning for teachers' capacity-building programs

This recommendation required MoEST to ensure that VET teachers are registered and in a database that will include all necessary details to be used when planning for teachers' capacity-building programs. In the action plan developed to implement this recommendation, MoEST planned to develop the National Qualification and Competency Standards Framework and the Quality Assurance System, which will also include the development of a database for VET teachers' registration.

A review of the Written Laws (Miscellaneous Amendment) Act No. 6 of 2021 revealed that the regulatory function of VET shifted from VETA to NACTVET as it was required to prescribe the procedure for registration of technical and vocational training institutions and centres, qualified technicians and qualified technical and vocation teachers. However, the MoEST remained to oversee the implementation. An interview with the MoEST personnel revealed that the Vocation Education Teachers were not registered despite shifting the registration function from VETA to NACTVET. Therefore, this recommendation was not implemented.

Since the recommendation was not implemented, the audit observed that the Ministry lacks essential information about VET teachers, which can hinder effective planning for capacity-building programs. Identifying the specific needs and areas of improvement for teachers becomes difficult,

resulting in less targeted and potentially less effective professional development initiatives.

5.5.3 Results of Follow-Up of Implementation of Issued Recommendations to VETA

This section details the implementation status of the issued recommendations to the Vocational Education and Training Authority (VETA). A total of six (6) recommendations were issued to VETA. One (1) recommendation was fully implemented, two (2) were partially implemented, one (1) was not implemented, and the event overtook two (2). **Table 5.5** summarises the implementation status of the recommendations issued to VETA by category.

Table 5.5 Level of Implementation of Recommendations by Category of Recommendations by VETA

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Implementation/Execution	3	0	1	1	1
Monitoring and Evaluation	1	0	0	0	1
Development	2	1	1	0	0
Total	**6**	**1**	**2**	**1**	**2**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 5.5 indicates that out of six (6) recommendations issued to VETA, three (3) recommendations were in the implementation category: one (1) was partially implemented, one (1) was not implemented, and the other was overtaken by event. One (1) recommendation, which was in the Monitoring and Evaluation category, was overtaken by Event. Likewise, two (2) recommendations were in the development category, one (1) fully implemented and the other partially implemented.

Below are the details of the implementation status of the issued recommendations based on the four levels of implementation, namely, fully implemented, partially implemented, not implemented, and overtaken by event.

(i)   Details of Recommendation that was fully Implemented

The analysis of submitted evidence and information from VETA indicated that one (1) recommendation was fully implemented. This recommendation and its status of implementation are explained below:

Recommendation 1: VETA should develop a plan for the inclusion of disadvantaged groups in Vocational Education and Training

This recommendation requires VETA to develop a plan to include disadvantaged groups in vocational education and training. In a review of the implementation plan for this recommendation, it was noted that VETA, in collaboration with MoEST, planned to develop a standard for including disadvantaged groups in VETA centres.

The review of evidence issued and the interview held with VETA officials revealed that in April 2022, VETA developed the guidelines for including people with disabilities in the Vocational Education and Training Authority (VETA) Centre. The guideline states the required initiatives by VET providers to include people with disabilities in VET education. Some initiatives include advertisements to attract people with disabilities to join the VET Centre, a curriculum review to accommodate people with disabilities, and improvements in infrastructure and facilities to accommodate disabled people. Therefore, this recommendation was fully implemented.

The follow-up assessment revealed that the recommendation had a non-financial impact on the VET system, which was to increase the number of people with disabilities in the VET Centre. **Table 5.6** shows the increase in the number of students with disabilities enrolled on VET centres.

Table 5.6: Number of Students with Disabilities Enrolled on the VET Centre

Gender	Intake		Increment	Percentage increment
	2022	2023		
Male	4	17	13	325
Female	6	12	6	50
Total	**10**	**29**	**19**	**190**

Source: *Auditors' analysis of student's enrollment database from VETA (2023)*

Table 5.6 shows that, as the result of developing the guideline for the inclusion of people with disabilities in the Vocational Education and Training Authority (VETA) Centre in April 2022, the number of people with disabilities

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enrolled in the VET Centre increased from ten (10) students in total at 2022 intakes to twenty-nine (29) students in total at 2023 intakes which was an increment of about 190%.

(ii)   Details of Recommendation that Was Not Implemented

The analysis of submitted evidence and information from VETA indicated that one (1) recommendation was not implemented. This recommendation and its status of implementation are explained below:

Recommendation 1: VETA should ensure that the distribution of VETA centres efficiently considers the demands and economic environment of the society and geographical zones

This recommendation requires VETA to ensure the distribution of VETA centres is efficient by considering the demands, economic environment of the society and geographical zones. Reviewing the action plan on the issued recommendation, VETA was in progress for constructing new VETA centres in four regions and 29 districts countrywide. Also, in the financial year 2019/20, to execute the construction of 25 District VETA Centers and their distribution considered geographical demand and economic environment of the society. More centres were to be constructed in the subsequent years as much as the budgetary allocations allowed.

During the implementation status review, the audit discovered that VETA had completed the construction of 29 District VETA centres in all 29 districts. Furthermore, VETA initiated the construction of 63 new district centres for the selected 63 districts and one regional VETA centre for the Songwe Region. However, the auditors were not provided with evidence for the criteria used to distribute all 63 newly constructed District VETA centres.

Based on the evidence provided and the recommendation requirement issued to VETA, the audit concluded that the recommendation was not implemented.

When establishing vocational education and training centres, it is important to consider the demands and economic environment of different geographical zones. If not done properly, there is a risk of disparities in

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vocational education access. Some regions may be underserved, leading to a concentration of VETA centres in more economically prosperous areas while neglecting those with greater needs.

Therefore, the distribution of VETA centres must align with the economic activities and opportunities in each region. Failure to do so may lead to a mismatch between the skills offered by VETA centres and the economic needs of the local industries, reducing the effectiveness of vocational education in addressing workforce demand.

(iii)   Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from VETA indicated that Two (2) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: VETA should develop a mechanism for forecasting the demand and supply of Vocational Education learners across different occupations and sectors in the country

Pursuant to a recommendation issued, VETA is required to develop a mechanism for forecasting the demand and supply of vocational education learners across different occupations and sectors in the country. A review of the action plan revealed that VETA planned to collaborate with other skills sector councils to ensure the forecast of the demand and supply. Also, they planned to establish a full-fledged Research and Development department for such purpose.

According to the evidence provided and the interview conducted with VETA officials, an online management information system (VET Data MIS) was established to enable efficient tracking of the labour market and integrate all important partners and stakeholders, including government, VETA, employers, industries, trade unions, and graduates. This brought stakeholders together and allowed them to work in a coordinated way, facilitating the availability of comprehensive labour market information, which was essential for developing and reviewing vocational circulars. However, the auditor noted that the system had not yet been completed.

Furthermore, VETA plans to establish a research and development department to coordinate labour market surveys and strengthen stakeholder collaboration. Interviewed VETA officials revealed that the department had been established, but its operations had not yet begun. Based on the evidence provided and VETA's action plan, the audit concluded that this recommendation was partially implemented.

The Audit assessment on the impact of this recommendation as it was partially implemented showed a risk of misalignment between the skills acquired through vocational education and the actual demands of the job market. This could result in a skills mismatch, where graduates may lack the skills employers need. If the forecasting mechanism is not fully implemented, VETA may struggle to design and offer programs in high demand. This could reduce the overall relevance of vocational education programs, potentially leading to a gap between what is taught and what is needed in the workforce.

Recommendation 2: Develop and implement a sustainable long-term plan for the modernization of VETA infrastructure, tools and equipment

This recommendation required VETA to develop and implement a sustainable long-term plan to modernise VETA's infrastructure, tools, and equipment. In the action plan developed, VETA planned to re-equip existing VETA centres in its Corporate Strategy (VCP) for 2018 – 2023. It was to be implemented in phases starting with the financial year 2019/20, whereby TZS 2.5 billion has been set aside for VETA.

Upon reviewing the implementation status report, it was discovered that VETA had begun constructing new colleges throughout the country. The estimated budget for the project was TZS 89.6 billion. However, despite its promise in the Corporate Strategic Plan (2018-2023), VETA has not fulfilled its commitment to re-equip the existing colleges with modern equipment. In addition, VETA provided a distribution list of the tools, machines or equipment bought during the years under commitment. However, there was no assessment of the adequacy of the tools with due regard to their needs and demands in the mentioned centres. Therefore, this recommendation was partially implemented.

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The impact of partial implementation of this recommendation included the failure to re-equip existing VETA centres with modern tools and equipment, which means that the vocational training may not be current with industry standards. This could lead to a skills gap, limiting the capacity of graduates to meet the demands of the job market. The focus on infrastructure development without the corresponding investment in modern equipment could lead to a disparity in the quality of education and training offered across different VETA centres. This could affect the competitiveness of VETA graduates in the job market.

(iv)   Details of Recommendations that Were Overtaken by Event

The analysis of submitted evidence and information from VETA indicated that the event overtook two (2) recommendations. These recommendations and their status of implementation are explained below:

Recommendation 1: VETA should ensure the effective implementation of mechanisms which ensure that the skills of the vocational teachers are up-to-date and relevant to the labour market demands

This recommendation required VETA to ensure the effective implementation of mechanisms that would enable vocational teachers' skills to be up-to-date and relevant to labour market demand.

As part of the action plan for implementing the recommendation, VETA (Vocational Education and Training Authority) had planned to use three mechanisms. These mechanisms included long- and short-course training to upgrade knowledge and skills, industrial attachment to expose trainees to new technologies existing in the market and update their practical (hands-on) skills, and tailor-made courses in partnership with development partners in VET. One such partnership was the Dual Apprenticeship Training System (DATS), which was aimed at vocational teachers.

Through these mechanisms, VETA was able to provide trainees with the necessary knowledge and skills to succeed in their chosen fields. Industrial attachment allowed trainees to gain exposure to new technologies and update their practical skills. At the same time, tailor-made courses in partnership with development partners ensured that trainees received the most up-to-date training available. The DATS program successfully

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provided vocational teachers with the skills and knowledge they needed to teach their students effectively.

After reviewing the implementation status, it was found that Section 32 (d) of the Written Laws (Miscellaneous Amendments) Act, No. 4 of 2021, has given NACTVET the responsibility to regulate vocational education and training, including managing VET teachers and in-service training. VETA previously carried out this function. Therefore, VETA no longer has the authority to provide skill development to vocational teachers in the VET system as a regulator. As a result, the recommendation to VETA is no longer applicable.

Recommendation 2: VETA should Strengthen Compliance monitoring and quality audits of other VET providers to ascertain that the vocational education provided is of the required quality

This recommendation required VETA to strengthen compliance monitoring and quality audits of other VET providers to ascertain that the vocational education provided is of the required quality.

As per the action plan, VETA had committed to suggesting a new organizational structure for the Internal Quality Audit function on VET training. The auditors were provided evidence of an approved VETA structure; however, it had not yet been implemented. Additionally, the Ministry of Education, Science and Technology is currently transferring the responsibility of ensuring quality and regulating training activities to NACTE, an independent system.

It was determined through the review of the submitted implementation status that NACTVET was mandated to regulate vocational education and training, including monitoring and evaluation of the VET system in the country as per VETA, Section 32 (d) of the Written Laws (Miscellaneous Amendments) Act, No. 4 of 2021. Therefore, VETA did not have the authority to conduct compliance monitoring and quality audits of other VET providers, which was NACTVET's role. VETA continued to be a VET provider but not a VET regulator. As a result, any recommendations made to VETA regarding compliance monitoring or quality audits were no longer relevant.

5.6 Specific Conclusion

Out of twelve (12) recommendations issued in the performance audit on access to quality vocational education and training, three (3) recommendations were fully implemented, five (5) were partially implemented, two were not implemented, and the event overtook two (2).

The follow-up audit noted that the issued recommendations had non-financial impacts on vocational education and training, such as increasing the percentage of people with disabilities from 2022 to 2023 after developing the guideline for inclusion of disabled people in VET Centre; Constructed 29 District Vocational Education and Training Centre which increased the accessibility to VET education at District levels and other 63 District Vocational and Training Center was under construction; Shifting of Regulatory function of VETA to NACTVET as the independent organ for regulating Vocational and Education Training in the Country.

5.7 Recommendation to MoEST and VETA

MoEST and VETA should ensure that partially implemented and non-implemented recommendations are fully implemented to ensure access to quality vocational education and training in the country.

FOLLOW-UP AND IMPACT ASSESSMENT ON THE IMPLEMENTATION OF RECOMMENDATIONS ON THE MANAGEMENT OF IMMUNIZATION AND VACCINATION PROJECT ACTIVITIES

6.1 Background to the Audit

Performance Audit Report on the Management of Immunization and Vaccination Project Activities was tabled to the parliament of the United Republic of Tanzania in April 2020. The overall objective of the audit was to determine whether the Ministry of Health (MoH), in collaboration with PO-RALG, efficiently managed the implementation of Immunization and Vaccination Project activities to ensure preventive care was improved, and immunisable diseases were controlled.

6.2 Audit Scope

The main audited entities were the Ministry of Health (MoH) and the President's Office-Regional Administration and Local Government (PO-RALG), which play key roles in implementing Immunization and Vaccination projects in the examined regions. The Ministry of Health, which is responsible for managing health issues, particularly through referral hospitals, is a central implementer of these projects. Meanwhile, PO-RALG is crucial in project implementation through health facilities like District Hospitals, Health Centres, and Dispensaries. Additionally, PO-RALG monitors Regional and District Health Management Teams (RHMT and CHMT), overseeing health facilities' supervision in immunization and vaccination projects.

The audit focused on planning and implementing Immunization and Vaccination activities and evaluating their adequacy at various levels. The primary recipients of project funds, including the Ministry of Finance and Planning, were included. Data collection was extended to regional secretariats, local government authorities, and health facilities. The examination, spanning three financial years (2016/17, 2017/18, and 2018/19) with extensions to December 2019, targeted immunization for children under five years, pregnant women, and adolescents, providing insights into trends and conclusions based on the findings.

6.3 Main Audit Findings

(a) Inadequate Planning for Human Resources

The audit found inadequate human resources planning in the Ministry of Health and health facilities, especially in the immunization and vaccination department. Staff shortages were reported at all levels, with a significant shortfall at health facilities. The immunization and vaccination department at the Ministry of Health had a staff deficiency of 76% for 2016/17 and 2017/18, slightly improving to 71% in 2018/19, indicating persistent understaffing. Despite the shortage, 44 out of 136 staff in the visited health facilities lacked the necessary skills for immunization and vaccination activities.

(b) Inadequate Planning for Financial Resources

The Ministry of Health faced financial challenges in vaccine procurement as government disbursements fell short of the planned budget, with only TZS 30 billion received in the 2018/19 fiscal year—less than half of the allocated funds. Notably, the Immunization and Vaccination Department's budget fluctuated, increasing from TZS 16 to 33 billion in 2017/18 but decreasing to 30 billion in 2018/19. While seven (7) district hospitals generally saw improved fund disbursement alignment, Ruangwa district hospitals deviated significantly, ranging from 12% to 52%.

In the review of the Mid Term Expenditure Framework (MTEF) for the President's Office-Regional Administration and Local Government (PO-RALG), it was observed that despite PO-RALG's role in supervising and coordinating vaccination activities, there was no specific budget allocated for their implementation. This lack of a designated budget was attributed to insufficient coordination of funding for immunization and vaccination activities. Officials from PO-RALG, interviewed during the audit, failed to provide justifiable reasons for the absence of this coordination and specific budget allocation, raising concerns about the financial planning and coordination within the immunization and vaccination initiatives.

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(c) Inadequate Planning for Equipment to Facilitate Implementation of immunization and vaccination activities

There was a shortage of equipment and tools such as vehicles, vaccination tools and vaccine storage facilities at the Regional, District and health facility levels to facilitate the smooth implementation of Immunization and Vaccination activities. It was noted that, in general, the shortage of vehicles was 50 out of 184 required, while the shortage for vaccination storage was 1,515 out of 2,900. This was caused by the government's limited investment in immunization and vaccination activities despite the Ministry of Health's budget increase. As a result, the Government relies on donor support to supply vehicles to health facilities.

(d) Set Targets do not Ensure Adequate Coverage in the Provision of Immunization and Vaccination services

The Ministry of Health (MoH) establishes targets to reduce morbidity, mortality, and disability from vaccine-preventable diseases, aiming for 90 per cent coverage for all antigens. A review of the 2018 Immunization Performance and Data Desk revealed that the MoH exceeded these targets, with performance ranging from 75% to 122% across all categories of immunization and vaccination. Notably, the performance for immunization and vaccination of children under five years varied from 83% to 115%. However, there were deviations in the set targets for the surviving infant population at the district level, as reported by the Immunization and Vaccination Department and District Immunization and Vaccination Officers of the visited Local Government Authorities (LGAs). These noted deviations ranged from 0.3 to 26.3 per cent.

(e) Inadequate Storage of Vaccines

Observations made to visited health facilities and reviews of the Programme Report of January 2018 indicated cases of inadequate temperature control for some health facilities. At Mwananyamala Hospital, auditors observed a temperature that was out of range on 2 January 2020, a day before the visit. A similar situation was observed in the other eight visited health facilities, namely Mbekenyera Health Centre (Ruangwa DC), Handali Health Centre (Chamwino DC), Siha Health Centre (Siha DC), Ngarenairobi Dispensary (Siha DC), Buigiri Dispensary (Chamwino DC). Others were Kifura Health Centre

(Kibondo DC), Kigendeka Dispensary (Kibondo DC), and Maweni Referral Hospital (Kigoma).

(f) Presence and Use of Expired Vaccines in Health Facilities

Supportive supervision reports from various regions revealed health facilities were using expired vaccines. Nyamilama Health Centre in Mwanza had two expired BCG bottles in use for five (5) months, violating the 6-hour usage standard for opened BCG bottles. Magu District Vaccine Stores reported ten (10) expired polio vaccine bottles. Additionally, Nyamilama Health Centre had three BCG vaccine bottles that were still in use days after opening, contrary to safety guidelines. In the Kigoma region, the Nkundutsi Dispensary reported expired vaccines (Measles, Rubella, Pentavalent, and Tetanus) in April 2019. These incidents indicate inadequate adherence to vaccine storage and usage standards, which were noted during supportive supervision visits. Such lapses raise serious concerns about the effectiveness and safety of immunization practices in the visited regions, necessitating urgent attention and corrective measures to ensure the integrity of vaccination programs.

(g) Vaccines Not Timely Provided to Beneficiaries as Required

Untimely provision of immunization and vaccination services in the health facilities was noted. All the visited health facilities reported that immunization and vaccines were not always provided to beneficiaries as per established schedules. For example, at Makanjiro Dispensary and Nkuwe Health Centre in Ruangwa District, vaccination services were not provided in a timely manner to beneficiaries due to a stockout of Measles and Rubella vaccines.

(h) Delays in Funds Disbursement were Noted at the Ministerial Level

Delays in fund disbursement for immunization and vaccination activities at the Ministry of Health (MoH) and President's Office-Regional Administration and Local Government (PO-RALG) revealed significant. Delays ranged from seven (7) days in the second quarter of the financial year 2016/17 to one hundred twenty-three (123) days in the first quarter of 2018/19 at MoH. PO-RALG faced an extensive delay of over seven (7) months in the first quarter of 2017/18, improving to almost three (3) months in 2018/19 but regressing

to over six (6) months in the first quarter of 2019/20. These delays pose challenges to the timely execution of vital immunization efforts, emphasizing the need for improved financial processes and coordination.

(i) Untimely Disbursement of Funds to Visited District Hospitals and Health Centres

District Hospitals faced delays in fund disbursement ranging from ten (10) days to over seven (7) months, with Misungwi District Hospital experiencing a 221-day delay in the second quarter of the financial year 2018/19. Approximately 50% of disbursements at the visited District Hospitals were delayed for over three months. Notably, the first quarter of the financial year 2019/20 saw significant delays at Handali Health Centre (Chamwino DC), Mbekenyera Health Centre (Ruangwa DC), and Kifura Health Centre (Kibondo DC), emphasizing challenges in timely financial support for critical healthcare activities at the district level.

(j) Vaccines Stock Out in Visited Health Facilities

It was found that six (6) out of twenty-one (21) health facilities visited lacked some vaccines. Five (5) out of these six (6) health facilities lacked Measles and Rubella vaccines, while four (4) out of these five (5) lacked Polio Zero (OPV) vaccines. Other missed vaccines were Rota, Penta and PCV. The lack of vaccines in the visited facilities affected the provision of routine immunization and vaccination services, which led to the postponement of vaccination sessions.

(k) Inadequate Monitoring of Immunization and Vaccination Activities by the Ministry of Health and PO-RALG

Supportive Supervision Reports revealed shortcomings in implementing planned activities at the Ministry of Health (MoH). In the financial years 2016/17 and 2017/18, no supportive supervision was conducted for all regions, and in 2018/19, only ten (10) out of twenty-six (26) regions received supervision. Similarly, the President's Office - Regional Administration and Local Government (PO-RALG) had plans to conduct supportive supervision for vaccination activities in the regions. Still, not all planned activities were carried out according to the Annual Work Plan from 2016/17 to 2019/20.

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6.4 Overall Audit Conclusion

Insufficient resources and poor management have hindered immunization efforts by the Ministry of Health, the President's Office - Regional Administration and the Local Government in Tanzania. Healthcare workers' skills in vaccine handling are lacking, leading to compromised vaccine quality and stockouts of essential vaccines. Inadequate community sensitization results in low coverage, exemplified by an 11% drop in HPV vaccinations in the Kilimanjaro Region and service cancellations in healthcare facilities.

6.5 Results of the Follow-up on the Implementation of Recommendations

This part presents the implementation status of the recommendations issued to the Ministry of Health (MoH) and the President's Office-Regional Administration and Local Government (PO-RALG) on the performance audit of the Management of Immunization and Vaccination Project Activities in Tanzania. The implementation status of the issued recommendations was measured using four (4) levels in the classification of recommendations: fully implemented, partially implemented, not implemented, and *overtaken by event recommendations*. The following subsections explain the details of the implementation status of the issued audit recommendations.

6.5.1 Overall Implementation of the Issued Recommendations

Eleven (11) recommendations were issued in this performance audit: ten (10) were directed to the Ministry of Health (MoH), and one (1) was 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 none were fully implemented, ten (10) were partially implemented, and one was not implemented. **Table 6.1** details the implementation level for the two audited entities**.**

Table 6.1: Level of Implementation per MoH and PO-RALG

Name of the Entity	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
MoH	10	0	9	1	0
PO-RALG	1	0	1	0	0
Total	**11**	**0**	**10**	**1**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 6.1 shows that none of the Ten (10) recommendations issued to MoH were fully implemented. That is to say, out of ten (10) issued recommendations, nine (9) recommendations were partially implemented, and one (1) was not implemented. Similarly, one recommendation issued to PO-RALG was partially implemented.

Further analysis of the issued recommendations for each recommendation category was made based on the four (4) implementation levels: fully, partially, not implemented, and overtaken by event. **Table 6.2** provides the level of implementation for all issued recommendations based on these categories.

Table 6.2: Level of Implementation of Recommendations by MoH and PO-RALG

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	3	0	3	0	0
Implementation/ Execution	8	0	7	1	0
Total	**11**	**0**	**10**	**1**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 6.2 indicates that all three (3) recommendations in the planning category were partially implemented. Also, it is indicated that seven (7) out of the eight (8) recommendations in the Implementation/Execution category were partially implemented, while the remaining one (1) recommendation was not implemented.

6.5.2 Results of Follow-Up of Implementation of Issued Recommendations to MoH

This section details the implementation status of the issued recommendations to the Ministry of Health (MoH). A total of ten (10) recommendations were issued to MoH. Nine (9) recommendations were partially implemented, and one (1) was not implemented. **Table 6.3** summarises the implementation status of the recommendations issued to MoH by category.

Table 6.3: Level of Implementation of Recommendations by Category of Recommendations by MoH

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	2	0	2	0	0
Implementation/ Execution	8	0	7	1	0
Total	**10**	**0**	**9**	**1**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 6.3 indicates that two (2) recommendations issued to MoH were under the Planning category, whereas all of them were partially implemented. The other eight (8) recommendations were under Implementation/Execution, where seven (7) recommendations were partially implemented, and one (1) of them was not implemented.

Below are the details of the implementation status of the issued recommendations based on the four (4) implementation levels: fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of ten (10) recommendations issued to MoH indicates that their implementation status fell under two (2) out of four (4) levels of implementation, namely, partially implemented and not implemented, as detailed below.

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(i) Details of Recommendations that Were Partially Implemented

The analysis of submitted evidence and information from MoH indicated that nine (9) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Conduct a thorough needs analysis, which will be based on the actual size of the population of the targeted groups to avoid under-estimation/over-estimation in the targets set for immunization and vaccination activities

The Ministry of Health (MoH) was recommended to conduct a thorough needs analysis using the actual population size of targeted groups to prevent underestimating or overestimating immunization and vaccination targets. MoH planned to communicate with the National Bureau of Statistics (NBS) for accurate population data and with PO-RALG to ensure councils use NBS data to avoid discrepancies. MoH provided evidence of receiving population projections from NBS and using them for target setting in 2023. However, the MoH did not provide evidence of communication with PO-RALG to ensure consistent use of NBS data by all councils and did not demonstrate consideration of previous performance in target setting. Therefore, the recommendation was partially implemented due to incomplete actions and evidence.

Recommendation 2: Ensure adequate planning for the availability of vaccine stocks and their related supplies at central and regional vaccine stores

The Ministry of Health (MoH) was required to ensure adequate planning for vaccine stocks and related supplies at central and regional vaccine stores. MoH planned to communicate with the Ministry of Finance for timely fund disbursement and utilize additional refrigerated trucks to reduce lead time and stock outs. MoH provided evidence of setting aside a budget of TZS 38 billion for the financial year 2023/24 to cater to procuring vaccines and related supplies. Still, as of 5 September 2023, TZS 19 billion was to cater for the same. Until this follow-up, MoH did not procure additional refrigerated vehicles as planned, and deficiencies in vaccine stock status were still low, with an average of seven out of nine (9) vaccine stocks below

six (6) months. Therefore, the recommendation was partially implemented due to incomplete actions and justification.

Recommendation 3: Strengthen the mechanism for deploying skilled health workers in health facilities, especially those located in remote areas, to improve the availability of quality immunization and vaccination services

The Ministry of Health (MoH) was required to enhance the deployment of skilled health workers, especially in remote areas, for improved immunization services. MoH planned training for health workers and communication with PO-RALG for budget inclusion. The MoH conducted on-the-job training for newly recruited officers for immunization and vaccination to undertake the immunization and vaccination services but lacked evidence for ongoing actions. No communication occurred with PO-RALG regarding budget inclusion for training. In contrast, PO-RALG issued instructions, obtained employment permits, and announced new hires but lacked evidence for sustained deployment in remote areas. The recommendation was partially implemented, primarily due to one-time interventions and insufficient evidence for ongoing deployment mechanisms.

Recommendation 4: The MoH, in Collaboration with PO-RALG, ensures regular formal training and refresher training are conducted on vaccine and cold chain management, especially for the newly recruited staff

The Ministry of Health (MoH) was required to conduct regular formal training and refresher courses on vaccine and cold chain management, particularly for newly recruited staff. The MoH planned to solicit funds for training immunization coordinators and vaccinators, but no evidence was provided for fund solicitation. Instead, MoH presented training conducted for Regional Immunization Vaccine Officers (RIVOs) and District Immunization Officers (DIVOs) from Tanzania Mainland and Zanzibar between January and March 2023. However, there was no evidence supporting the continuation of these trainings.

Also, PO-RALG reported discussions on training plans during Quarterly Technical Working Group and Interagency Coordination Committee (ICC) meetings, with evidence of new staff training in 2022/23. Still, there were

no indications of the continuation of ongoing formal training. Therefore, this recommendation was partially implemented due to insufficient evidence.

Recommendation 5: Strengthen community advocacy to increase coverage by ensuring all eligible groups for vaccination are reached

The Ministry of Health (MoH) was required to strengthen community advocacy for increased vaccination coverage. The MoH initiated actions like the African Immunization Week in the Manyara Region and a media seminar in Dar es Salaam. However, evidence lacked sustainability plans for these initiatives, and community messages through M-health platforms were not developed. On the other hand, PO-RALG issued instructions to DEDs to allocate budgets for immunization advocacy and documented actions.

However, sustained reporting on these actions was lacking. Also, PO-RALG provided a correspondence indicating that an assessment was done and showed a decline in vaccinations due to community fears. PO-RALG indicated that sensitisation was done to address the challenge, though it lacked supporting evidence for increased coverage. Therefore, the recommendation was partially implemented based on the provided evidence.

Recommendation 6: Liaise with MoF to ensure funds are disbursed in a timely manner to allow for the timely implementation of immunization and vaccination activities. This includes ensuring the timely availability of both reports of achievement of agreed service delivery performance indicators and verification that enable the timely release of funds by Development Partners and MoF

The Ministry of Health (MoH) was required to ensure timely disbursement of funds for immunization activities by liaising with the Ministry of Finance (MoF). The MoH planned advocacy meetings but lacked evidence of substantial discussions on fund disbursement during Interagency Coordination Committee (ICC) meetings. On the other hand, PO-RALG requested funds quarterly from the Permanent Secretary-Treasury (PST) and provided letters indicating funds were received. However, the evidence did not specify timeframes or improvements in timely disbursement.

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Therefore, this recommendation was partially implemented due to insufficient evidence to show improvement.

Recommendation 7: Ensure regular maintenance of the cold chain equipment to ensure vaccines are stored within the recommended temperature range

The recommendation urged the Ministry of Health (MoH) to regularly maintain cold chain equipment for vaccine storage in the recommended temperature range. MoH reported conducting training for biomedical engineers but lacked evidence for cascaded training to healthcare workers or communication with PO-RALG for regular maintenance.

On the other hand, PO-RALG provided a list of non-functional refrigerators and requests for spare parts to the MoH and reminded the District Executive Directors (DEDs) to allocate budgets for maintenance. However, the requested spare parts and instructions for budget allocation lacked coherence. Also, there were no maintenance reports for refrigerators. Based on the insufficient evidence, the recommendation implementation was partial.

Recommendation 8: Ensure speeding up installation of remote temperature monitoring system (RTM) in all health care facilities to enable instant sharing of information in case temperature goes out of range to take corrective action timely

The recommendation urged the Ministry of Health (MoH) to expedite the installation of Remote Temperature Monitoring Devices (RTMD) in health facilities for prompt information sharing in case of temperature fluctuations. The MoH planned to procure RTMDs but lacked evidence of resource mobilization or installation progress.

On the other hand, PO-RALG reported distributing RTMDs at regional and district levels, with plans for additional procurement. However, Simiyu, Iringa, Lindi, Pwani and Mtwara Regions lacked RTMDs at the facility level, and the operations manual for the installed RTM system was still being developed. Thus, the implementation was partially evidenced.

Recommendation 9: Strengthen supportive supervision, especially in health centres and dispensaries, to track the progress made and observe anomalies originating from the implementation of immunization and vaccination services in health facilities

The MoH was required to strengthen supportive supervision, especially in health centres and dispensaries, to track the progress made and observe anomalies originating from the implementation of immunization and vaccination services in health facilities.

The Ministry of Health (MoH) planned to enhance supportive supervision for immunization services at health centres and dispensaries through the ODK system and reports to address identified weaknesses. However, the MoH did not effectively communicate with PO-RALG and failed to implement solutions for challenges or provide mentorship to staff lacking skills. Consequently, the recommendation for strengthened supportive supervision was only partially implemented due to insufficient evidence supporting its full execution.

(ii) Details of Recommendation that Was Not Implemented

The analysis of submitted evidence and information from the MoH and PO-RALG indicated that one (1) recommendation was not implemented. The recommendation and its status of implementation are explained below:

Recommendation 1: Ensure that healthcare facilities implement recommendations issued during supportive supervision to rectify observed gaps

The Ministry of Health (MoH) was urged to ensure healthcare facilities implement recommendations from supportive supervision. The MoH was supposed to share feedback and reports with PO-RALG and Councils for follow-up, along with conducting targeted supervision in selected districts. MoH provided a performance review meeting report for 2021 but lacked evidence on the extent of implementing the recommendation.

There was no proof of sharing feedback, written reports or conducting targeted supervision. PO-RALG indicated the developed scorecard for monitoring the implementation of the performance of the healthcare

facilities but lacked filled scorecards and evidence of implementation. Therefore, the recommendation was not fully implemented.

6.5.3 Results of Follow-Up of Implementation of Issued Recommendations to PO-RALG

This section details the implementation status of the issued recommendations to the President's Office – Regional Administration and Local Government (PO-RALG). Only one (1) recommendation was issued to PO-RALG, and it was partially implemented. **Table 6.4** summarises the implementation status of the recommendations issued to PO-RALG by category of recommendations.

Table 6.4: Level of Implementation of Recommendations by Category of Recommendations by PO-RALG

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	1	0	1	0	0
Total	**1**	**0**	**1**	**0**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 6.4 indicates that the only issued recommendation to PO-RALG was under the Planning category. The Audit Team evaluated the implementation status of the recommendation and found it to be partially implemented.

Below are the details of the implementation status of the issued recommendations based on the four (4) implementation levels: fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of one (1) recommendation issued to PO-RALG indicates that their implementation status fell under one (1) out of four (4) levels of implementation, namely, partially implemented, as detailed below.

(i) Details of Recommendation that was Partially Implemented

The analysis of submitted evidence and information from PO-RALG indicated that the only recommendation issued was partially implemented. The recommendation and its status of implementation are explained below:

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Recommendation 1: Ensure adequate planning for the timely distribution of vaccines to district vaccine stores and Health facilities to allow continuity in the provision of immunization and vaccination services

The recommendation required PO-RALG to ensure adequate planning for timely vaccine distribution to district stores and health facilities. The action plan prepared by PO-RALG included instructing regional and district authorities to allocate budgets and use government structures for distribution. Instructions were issued to specific regions, acknowledging that they should have been sent to all regions. PO-RALG used the Information Management System (VIMS) to monitor distribution, providing sample reports for 2023. Reports indicated successful implementation in the sampled regions, but the coverage did not extend to all regions, leading to partial implementation of this recommendation, which PO-RALG partially implemented.

6.5 Specific Conclusion

The analysis of the implementation status of previous audit recommendations for the Ministry of Health (MoH) and PO-RALG reveals insufficient efforts by both entities. None of the eleven (11) recommendations were fully implemented, with ten (10) being partially implemented and one (1) not implemented. Based on discussions with officials and the submitted evidence, there are indications of a lack of established plans, strategies, and internal monitoring mechanisms for the timely and effective implementation of performance audit recommendations.

6.6 Specific Recommendations

Recommendations to the Ministry of Health (MoH)

The Ministry of Health is urged to:

1. Ensure the full implementation of all Audit Recommendations issued; and

2. Create a monitoring mechanism to track and report the implementation status of the issued Audit Recommendations from the Performance Audit report.

Recommendations to the President's Office – Regional Administration and Local Government (PO-RALG)

The President's Office – Regional Administration and Local Government is urged to:

1. Ensure the full implementation of all Audit Recommendations issued; and

2. Create a monitoring mechanism to track and report the implementation status of the issued Audit Recommendations from the Performance Audit report.

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CHAPTER SEVEN

FOLLOW-UP AND IMPACT ASSESSMENT ON THE IMPLEMENTATION OF PERFORMANCE AUDIT RECOMMENDATIONS ON THE MANAGEMENT OF ACCESSIBILITY AND RELIABILITY OF ELECTRICITY SUPPLY SERVICES

7.1 Background to the Audit

Performance Audit Report on The Management of Accessibility and Reliability of Electricity Supply Services was tabled before the Parliament of the United Republic of Tanzania in March 2020. The overall objective of the audit was to assess whether TANESCO has a mechanism to ensure electricity services are reliable, accessible, and connected to customers in a timely manner.

7.2 Audit Scope

TANESCO, EWURA and the Ministry of Energy (MoE) were the main audited entities. TANESCO had the duress to ensure that quality factors were achieved and maintained; EWURA was obligated to ensure compliance with the quality factors; and the Ministry of Energy has been given an oversight role to ensure TANESCO achieves its role. The audit covered activities of electricity supply (33kV and 11kV) and distribution networks (400V and 230V) over three (3) years, i.e., from July 2016/17 to June 2018/19.

Data on the accessibility and reliability of electricity supply services was collected from TANESCO Headquarters, where all regions' data were available. Five (5) regions of Dar es Salaam, Arusha, Mwanza, Mbeya and Dodoma were visited. The regions were selected based on the availability of EWURA zonal offices because EWURA has a regulatory role (Inspection and monitoring) regarding accessibility and reliability.

7.3 Main Audit Findings

(a) TANESCO had 72,463 pending surveys resulting in pending quotations to the Customers

Contrary to the Customer Service Charter, TANESCO did not conduct surveys and therefore accumulated 72,463 potential new customers pending

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quotations. The pending surveys would have generated a possible income ranging from TZS 23.3 billion to TZS. 37.4 billion.

In addition, the Northern zone led by having many customers waiting for a survey, while the Southern zone had the lowest number of pending surveys. The reasons that contributed to this variation were few vehicles, Houses being in un-surveyed areas and on-road reserve areas, Unavailability of customers at sites and Land conflicts.

(b) Delayed connection to already paid customers

The audit revealed that TANESCO did not connect 155,127 customers who had already paid for the new service line in a timely manner. The delayed connections have significantly contributed to customer complaints. The delayed connections accumulated a potential income of TZS 8.33 billion and a potential compensation of TZS 12.23 billion for failure to connect within the stipulated time if all customers decide to act and demand compensation.

The audit team further noted the reasons for delaying connection: few poles, few meters, few vehicles, few 25sqmm ABC conductors, few single-phase meters and few 50sqmm ABC conductors. Hence, the common reason for fewer service line connection materials was TANESCO's inability to adequately establish the required materials and properly plan and manage the available materials.

(c) Connection materials were not supplied in the right proportion

The audit team noted that the service line materials, such as poles, meters, and Aerial Bundle Conductors (ABC), were not supplied in the right proportions to the regions to facilitate timely connections. There were incidences when customers would miss one or more connection materials. Customers would either have poles but meters were missing or have both poles and meters but conductors were missing.

In addition, there were regions with the balance of poles reaching 5,500 (Coast), while other regions such as Mwanza, Geita, Tabora, Songwe, Njombe and Arusha had zero balances. Furthermore, it was noted that, in most cases, these situations were due to TANESCO's weaknesses in managing

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the available resources, as stated earlier, as well as its failure to relocate materials from regions with surplus to those in need.

(d) Maintenance practices did not minimize breakdowns

The maintenance practices at TANESCO were more reactive than proactive. The increased number of reported emergency temporary breakdowns kept the maintenance brigades busy with corrective and preventive maintenance. The practice negatively affected the reliability of supply power, which was reflected through voltage fluctuations and frequency of power outages.

The review of the emergency status reports showed that frequently reported incidents were loose connections in brackets, low voltage, decayed poles, sparks on the poles, meters not displaying, LUKU meters not accepting units, voltage fluctuations and broken conductors.

It was further noted that, following an increase in the frequency of reported emergencies, maintenance relied more on corrective measures rather than being planned, which ultimately increased the number of breakdowns.

(e) 73% of inspected poles were decayed

TANESCO reported having inspected 20,340 High Tension (HT) poles and 19,474 Low Tension (LT) poles. Of all inspected poles, 29,142, equivalent to 73% of all inspected poles, were decayed. However, in only five (5) visited regions, there was a total of 25,565 decayed poles for three years under review. Excessive decayed poles put the power reliability at risk of total blackout.

The audit revealed that the Mbeya region had the most decayed poles, followed by Arusha. Thus, non-prioritization to maintenance risk was noted to result from frequent emergency breakdowns.

(f)   The power voltage supplied exceeded the limits set by standards

Despite lacking records for measured values of the voltage for 400V and 230V, the availed records for the 33kV transmission line showed the Minimum reading exceeded by 16% and the Maximum exceeded by 18%. Also,

over 60% of received customer complaints were either voltage problems or no power.

If the voltage is too low, the amperage increases, which may result in the components melting down or causing the appliance to malfunction. If the voltage is too high, this will cause appliances to run 'too fast and too high', shortening their service life.

(g) TANESCO did not minimize electricity power interruptions

On average, 805,470 customers were affected by 1,407 power outage hours per year at a frequency of 1,548 times per year. The impact of the high frequency of power outages includes interruptions at hospitals, clinics, and emergency operating rooms, where life-support machines are used, which may cause loss of lives. Interruptions with industrial customers may affect production negatively and the supply chain in various economic activities.

It was also noted that the cause for the high frequency of power interruptions, as explained by officials, was an increasing number of electrical faults at the transmission lines.

The number of faults was also attributed to a lack of preventive maintenance. As a result, TANESCO conducted more reactive maintenance than preventive. If unplanned outages exceeded planned outages, it indicates that most of the time was spent conducting reactive (corrective/breakdown) maintenance rather than preventive maintenance.

(h) TANESCO did not have reliable information to measure the Efficiency in relation to Power System Reliability

The audit noted that TANESCO did not have realistic data on the number of customers connected to individual feeders, spurs, or substations/ transformers, and therefore, it was not possible to calculate the reliability indices for power distribution lines of 400V and 230V. The lack of reliability indices made it difficult for TANESCO to pinpoint trouble areas accurately and take specific corrective actions to enhance reliability.

The audit revealed that EWURA developed the format that TANESCO uses for the calculation of reliability indices. However, the format did not

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provide room to fill the data for the total number of customers connected or separate planned, unplanned, and load-shedding outages. Other information required by the format included the number of customers affected, outage hours, number of outages, and total number of customers connected to a feeder, spur, or distribution transformer of the power distribution infrastructure.

Lack of awareness of the use of the format made it difficult for the TANESCO officials to populate the required data using the format. Nevertheless, EWURA informed the audit team that the exercise to sensitize the format to TANESCO officials had started.

(i) TANESCO lost an average of TZS. 67 billion per year due to power losses

TANESCO generated an average of 733 million kilowatt hours annually for the three years audited. The energy billed was only 471 million kilowatt hours, equivalent to 64% of the generated power. Power loss attracted an average loss of TZS. 67 billion.

(j) Slow pace in responding to customer complaints

The audit revealed that there was a total of 61,511 pending Customer complaints. The complaints included technical and non-technical issues. The total number of pending non-technical complaints was 49,713, equivalent to 81% of all the complaints. It was also noted that the delay in responding to complaints was mainly attributed to the slow pace of the customer care desk in logging in and referring the complaints to the respective departments. This affected the provision of customer services and ultimately affected TANESCO's revenue.

(k) EWURA inconsistently reported issues related to reliability

The audit team noted that the issues reported by EWURA were not consistent despite being provided with the format of issues required to be reported. The inconsistency was mainly related to the issues related to monitoring TANESCO compliance with standards such as the Tanzania Grid Code requirements on the duration of power interruptions, voltage, and frequency deviations to customers.

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(l) EWURA incorrectly reported issues with the quality of the power supply

During the audit, it was noted that EWURA neither correctly reported the indices nor reported them in the required format. EWURA did not include the total number of connected customers in the affected areas in the calculation and details of the interruption hours for load shedding as per the Tanzania Grid Code requirements.

(m) Ministry of Energy inadequately executed monitoring, evaluation, and performance reporting roles

The Audit revealed that the Ministry of Energy did not present specific performance indicators for assessing activities related to reliability and accessibility of electricity supply services. The issued reports did not cover issues of power reliability.

7.4 Overall Audit Conclusion

The audit concluded that TANESCO does not adequately use its established mechanism to ensure electricity services are reliable, accessible, and connected to customers in a timely manner.

Despite the efforts made by TANESCO to improve its operations, TANESCO has not ensured that basic services such as surveys for new electricity connections are conducted on time and service lines are connected within the stipulated timeframe. Also, despite having operational customer service desks, it was noted that they did not respond to customers' complaints and queries in a timely manner. Customers reported many temporary breakdowns at the emergency desks; however, TANESCO did not collect all the information, analyze it, and use the results to plan and conduct risk-based maintenance of the distribution networks.

Moreover, TANESCO did not adequately ensure the quality of power supplied. The outage hours and outage frequencies were beyond the limits specified by the standards. Frequent breakdowns of the distribution systems resulted in power interruptions. The Ministry of Energy and EWURA, being the overseer and regulator, respectively, did not sufficiently ensure

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electricity was accessible through proactive and systematic ways of combating problems of power outages, voltage, and frequent fluctuations.

7.5 Results of the Follow-up on the Implementation of Recommendations

This part presents the implementation status of issued recommendations to the Ministry of Energy on the Performance Audit Report on The Management of Accessibility and Reliability of Electricity Supply Service.

The implementation of the issued recommendations was measured using four levels in the classification of recommendations, namely, *fully implemented recommendations, partially implemented recommendations, not implemented recommendations,* and *overtaken by event recommendations*. The following subsections explain the details of the implementation status of the issued audit recommendations.

7.5.1 Overall Implementation of Issued Recommendations

A total of nine (9) recommendations were issued in this performance audit. One (1) recommendation was directed to the Ministry of Energy (MoE), two (2) to EWURA, and six (6) to TANESCO. The overall follow-up results on implementing the issued audit recommendations indicated that out of nine (9) issued recommendations, six (6) were fully implemented, and three (3) were partially implemented. **Table 7.1** details the implementation level for the three (3) audited entities.

Table 7.1: Level of Implementation of Recommendations by Audited Entities

Audited Entity	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
MoE	1	0	1	0	0
EWURA	2	1	1	0	0
TANESCO	6	5	1	0	0
Total	**9**	**6**	**3**	**0**	**0**

*So**urce:** Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 7.1 indicates that the one (1) recommendation directed to MoE was partially implemented. One (1) recommendation was fully implemented for

the two (2) recommendations directed to EWURA, and one (1) was partially implemented. Similarly, five (5) recommendations were fully implemented for the six (6) recommendations directed to TANESCO, and one (1) was partially implemented.

Further analysis of the issued recommendations for each category was made based on the four (4) implementation levels: *fully, partially, not implemented, and overtaken by event*. **Table 7.2** provides the level of implementation for all issued recommendations based on these categories.

Table 7.2: Level of Implementation of Recommendations by Audited Entities

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	4	3	1	0	0
Implementation/ Execution	1	1	0	0	0
Monitoring and Evaluation	3	0	3	0	0
Development	1	1			
Total	**9**	**5**	**4**	**0**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 7.2 shows that four (4) recommendations were in the planning category, out of which three (3) recommendations were fully implemented and one (1) recommendation was partially implemented. The one (1) recommendation in the implementation category was fully implemented. Three (3) recommendations were in the Monitoring and Evaluation category, and all were partially implemented. The one (1) recommendation in the development category was fully implemented.

7.5.2 Results of Follow-Up of Implementation of Issued Recommendations to MoE

This section details the implementation status of the issued recommendations to the Ministry of Energy (MoE). One (1) recommendation was issued to MoE and was partially implemented. **Table 7.3** provides a summary of the implementation status of the recommendations issued to MoE by category of recommendations.

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Monitoring and Evaluation	1	0	1	0	0
Total	1	0	1	0	0

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 7.3 shows that one (1) recommendation in the Monitoring and Evaluation category was partially implemented.

Below are the details of the status of implementation of the issued recommendations based on the four (4) implementation levels: fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of one (1) recommendation issued to MoE indicates that their implementation status fell under one (1) out of four (4) levels of implementation, namely, partially implemented, as detailed below.

(i)   Details of Recommendation that was Partially Implemented

The analysis of submitted evidence and information from MoE indicated that one (1) recommendation was partially implemented. This recommendation and its status of implementation are explained below:

Recommendation 1: Ensure that issues of accessibility and reliability of electricity supply services are covered in the monitoring and evaluation of TANESCO

The recommendation required MoE to include issues of accessibility and reliability of electricity supply services in the monitoring and evaluation activities of TANESCO. MoE responses were reviewed on the way the recommendation was implemented, and the responses indicated that MoE would develop a monitoring and evaluation mechanism to include key performance indicators and measures for power accessibility and reliability across the country.

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The analysis of the submitted reports and the interview with MoE officials revealed that MoE had established a unit, starting 01 July 2023, for monitoring and evaluation activities. This unit is tasked with overseeing activities in institutions subject to MoE. Additionally, MoE, with support from the World Bank, is in the process of procuring a consultant to develop a monitoring and evaluation framework. This framework will include outcome indicators for electricity accessibility across the country. The procurement of the consultant is expected to be completed in the financial year 2023/24, and the consultant will undertake the assignment for seven months.

However, it was noted that the main responsibilities for monitoring and evaluation activities fall under the purview of EWURA. MoE is positioned as the country's top overseer of all energy issues. The follow-up team was provided with documents as evidence to enable an effective assessment of the implementation of this recommendation. Therefore, this recommendation was partially implemented.

7.5.3 Results of Follow-Up of Implementation of Issued Recommendations to EWURA

This section provides details on the implementation status of the issued recommendations to the Energy and Water Utility Regulatory Authority (EWURA). A total of two (2) recommendations were issued to EWURA. One (1) recommendation was fully implemented, and one (1) was partially implemented. **Table 7.4** summarises the implementation status of the recommendations issued to EWURA by category.

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Table 7.4: Level of Implementation of Recommendations by Category of Recommendations to EWURA

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	1	1	0	0	0
Monitoring and Evaluation	1	0	1	0	0
Total	**2**	**1**	**1**	**0**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 7.4 shows that one (1) recommendation in the planning category was fully implemented, and one (1) in the monitoring and evaluation category was partially implemented.

Below are the details of the implementation status of the issued recommendations based on the four (4) implementation levels: fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of two (2) recommendations issued to EWURA indicates that their implementation status fell under two (2) out of four (4) levels of implementation, namely, fully implemented and partially implemented, as detailed below.

(i) Details of Recommendation that was Fully Implemented

The analysis of submitted evidence and information from EWURA indicated that one (1) recommendation was fully implemented. This recommendation and the status of implementation are explained below:

Recommendation 1: Ensure the resources for comprehensive monitoring of TANESCO are available

This recommendation required EWURA to ensure that the resources for comprehensive monitoring of TANESCO are available. In the action plan developed to implement this recommendation, EWURA would review the Electricity Inspection Manual to identify improvement areas in line with the recommendation and intensify the inspections.

Upon review of the responses and supporting evidence from EWURA, it was noted that EWURA revised the Inspection Manual of 2023, which has incorporated the key performance indicators (KPIs) to monitor the performance of licensed entities, including TANESCO.

The Manual was shared with stakeholders, including TANESCO, on 26 September 2023 through the letter Ref. No. AC.141/219/01 VOL.IV/181 for comments, and thereafter it will be submitted to the Board for approval in Q2 of FY 2023/24. Also, EWURA has increased one more zone to inspect and access reliable data easily. The increased zone has also increased human resources and budget to inspect TANESCO Regions easily.

The follow-up team was provided with documents as evidence so that they could assess the implementation of this recommendation effectively. For that matter, this recommendation was considered to be fully implemented.

(ii) Details of Recommendation that was Partially Implemented

The analysis of submitted evidence and information from EWURA indicated that one (1) recommendation was Partially implemented. This recommendation and the status of implementation are explained below:

Recommendation 1: Ensure monitoring and reporting on power reliability using relevant and reliable data

The recommendation required EWURA to ensure that monitoring and reporting on power reliability used relevant and reliable data. In the action plan developed to implement this recommendation, EWURA would collaborate with NVE (Norwegian Water Resources and Energy Directorate) and review the Electricity Regulatory Information System (ERIS) to improve it for obtaining more reliable data from Utility, together with EWURA would conduct capacity building to TANESCO on Power reliability data requirement and calculation.

Reviewed EWURA's responses on the way the recommendation was implemented, and the response indicated that there is a real-time Database Management Systems (DBMS) project in progress that is funded by AfDB. However, the project has not yet been completed; instead, it is at the procurement stage. The Authority has conducted awareness seminars for TANESCO staff on the computation of power reliability indices.

The follow-up team was provided with documents as evidence for the team to be able to assess the implementation of this recommendation effectively, and for that matter, since the implementation of the recommendation is still ongoing, its impact cannot be assessed; therefore, this recommendation was considered as being partially implemented.

7.5.4 Results of Follow-Up of Implementation of Issued Recommendations to TANESCO

This section details the implementation status of the issued recommendations to Tanzania Electric Supply Company (TANESCO). A total of six (6) recommendations were issued to TANESCO. Five (5) recommendations were fully implemented, and one (1) recommendation was partially implemented. **Table 7.5** summarises the implementation status of the recommendations issued to TANESCO by category of recommendations.

Table 7.5: Level of Implementation of Recommendations by Category of Recommendations to TANESCO

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	3	3	0	0	0
Implementation/ Execution	1	1	0	0	0
Monitoring and Evaluation	1	0	1	0	0
Development	1	1	0	0	0
Total	**6**	**5**	**1**	**0**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 7.5 shows three (3) recommendations in the planning category, and all three were fully implemented. The one (1) recommendation in the implementation category was fully implemented. Also, the one (1) recommendation in the monitoring and evaluation category was partially implemented. The development category has one (1) recommendation, which was fully implemented.

Below are the details of the status of implementation of the issued recommendations based on the four (4) implementation levels: fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of six (6) recommendations issued to TANESCO indicates that their implementation status fell under two (2) out of four (4) levels of implementation, namely fully implemented, partially implemented, and not implemented, as detailed below.

(i)   Details of Recommendations that were Fully Implemented

The analysis of submitted evidence and information from TANESCO indicated that five (5) recommendations were fully implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Ensure logistical arrangements are improved to minimize the number of pending surveys

This recommendation required TANESCO to improve the logistical arrangements to minimize the number of pending surveys.

Reviewed TANESCO's responses on the way the recommendation was implemented. The responses indicated that TANESCO would screen all double issues of applications. Application forms with no owners would be deleted from the system.

However, the analysis of the submitted reports and interviews with TANESCO showed that TANESCO responded by addressing the root causes of pending surveys. The causes for the pending surveys included the availability of few vehicles and houses in un-surveyed areas and on-road reserve areas, land conflicts and unavailability of customers at sites.

TANESCO has increased the means for mobility by introducing Bajaji stationed in clusters in each region, a total of 849, as well as introducing the NIKONECT system, which helps fast-track applications for connections by removing the paperwork. Now, customers can use smartphones to submit queries and applications through the Google Play App of NIKONEKT. This helps to sort the application for various technical requirements and compliance with the relevant country laws, as well as all the pending surveys for a long time with problems raised out of control from TANESCO.

The follow-up team was provided with NIKONEKT survey reports and physical verification on using Bajaji to respond to customer calls for services. This evidence was presented so that the team could assess the implementation of this recommendation effectively. It was observed that on 30 June 2023, the reported annual average connection time was nine (9) days, the pending surveys were 3079, and the Bajaji was available at Machinga complex at Dodoma town waiting to respond to customer emergency calls. For that matter, this recommendation was considered to be fully implemented.

Recommendation 2: Ensure balanced distribution of service line connection materials to minimize pending connections

The recommendation required TANESCO to balance the distribution of service line connection materials to minimize pending connections. The reviewed TANESCO's responses on the way the recommendation was implemented indicated that TANESCO would enhance the monitoring and evaluation of the utilization of the locally launched Service Delivery Management System.

Further, it was noted that service line materials and other distribution materials are being ordered based on Work Plans submitted by regions, and the measurement of average connection time currently is ten (10) days compared to what was indicated in the client service charter, which required thirty (30) days for connection.

The follow-up team was provided with the NIKONEKT customer report as of 30 June 2023 as evidence for the team to be able to assess the implementation of this recommendation effectively; it was observed that on 30 June 2023, the reported annual average connection time is nine (9) days. For that matter, this recommendation was considered to be fully implemented.

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Recommendation 3: Prioritize the maintenance of critical elements to increase power reliability level and minimize power loss

The recommendation required TANESCO to prioritize the maintenance of critical elements to increase power reliability and minimize power loss.

Reviewed TANESCO's responses on the way the recommendation was implemented. The responses indicated that TANESCO would introduce a quick fix for a short-term solution, e.g., Tree-cutting medium-term, which involves replacing decayed poles, and long-term, which involves new medium line extension and substation construction—planning to roll out the DCC system country-wide.

However, the analysis of the submitted reports and interviews held with TANESCO showed that TANESCO had introduced Reliability-centered Maintenance (RCM) in conducting maintenance of distribution infrastructure. Reliability-centered Maintenance is a maintenance technique that prioritizes maintenance activities based on the severity/criticality of the anomalies. Anomalies are categorized into three categories: very critical, critical and less critical. Anomalies categorized as very critical are prioritized for maintenance, followed by critical and less critical anomalies. Concrete poles are introduced to replace decayed wooden poles in medium voltage lines and swampy areas, and covered conductors are used in areas with fast-growing vegetation.

The follow-up team was provided with documents and physical verification as evidence so that the team could assess the implementation of this recommendation effectively. For that matter, this recommendation was considered to be fully implemented.

Recommendation 4: Ensure feedback information in the SDM system is accurately received and timely logged in for easy traceability of delivered services

The recommendation required TANESCO to ensure feedback information in the SDM system is accurately received and logged in on time for easy traceability of delivered services.

The analysis of the submitted reports and interview held with TANESCO showed that, TANESCO is currently using NIKONEKT and CRM systems, which

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have replaced SDM systems in monitoring service delivery to customers. With NIKONEKT and CRM systems, reports on service delivery status/progress are electronically generated so that management can intervene if necessary. With the CRM system, customers are given tickets with unique numbers to follow up on their inquiries. The Company has also established a Unified Call Centre to receive all customer inquiries and power interruption incidences. NIKONEKT can also be accessed through the Google Play Store Apps.

The follow-up team was provided with the SDM system customer report as of 10 December 2023, physically called the Unified Call Centre with number 0748 550 000, explored the Google Play Store app of Nikonekt to assess the existing functions to support customer services, and used the USSD by dialling *152*00# to help those customers who do not have smartphones. This evidence was presented to the team to assess the implementation of this recommendation effectively, and for that reason, this recommendation was considered as being fully implemented.

Recommendation 5: Conduct research to find out better substitutes/alternatives to wooden poles

The recommendation required TANESCO to conduct research to find out better substitutes or alternatives to wooden poles.

The analysis of the submitted reports and interviews held with TANESCO showed that TANESCO has embarked on using concrete poles as an alternative to wooden poles. TANESCO has thus established a subsidiary company, Tanzania Concrete Poles Manufacturer Company Ltd, whose key function is to spearhead the use of concrete poles, including quality control of the poles.

The follow-up team was provided with supply contract no. TCPM/TANESCO/SLA/2023-24/01 for concrete poles and physical verification on constructed concrete poles along the power line from the Zuzu substation at the Dodoma region. This evidence was presented to the team to effectively assess the implementation of this recommendation as it solves the addressed problem caused by decayed wooden poles that required frequent replacement. For that matter, this recommendation was considered to be fully implemented.

(ii)   Details of Recommendation that was Partially Implemented

The analysis of submitted evidence and information from TANESCO indicated that one (1) recommendation was partially implemented. This recommendation and the status of implementation are explained below:

Recommendation 1: Ensure that reliable data for individual feeders/sub-stations are recorded to enable measurement of Performance efficiency in terms of reliability

The recommendation required TANESCO to record the reliability of data for individual feeders/ substations to enable measurement of performance efficiency.

Reviewed TANESCO's responses on the way the recommendation was implemented. The responses indicated that TANESCO would add the escalation matrix to the new version in accordance with what is stipulated in the Customer Service Charter to generate automatic responses once the customer's service request is logged into the SDM system.

The analysis of the submitted reports, physical visit at the Zuzu substation at Dodoma region and interview held with TANESCO showed that TANESCO engaged the consultant to develop the GIS system that would map the electricity network in the country with known locations for all customers and infrastructures for the power line. By doing so, it would be easy to locate the faulted location, reducing the time for power interruption. The new system would capture that information and reduce time since power indices are mainly delivered from two parameters: time for power interruption and the number of affected customers for a certain period.

The follow-up team was provided with documents and physical verification as evidence for the team to assess the implementation of this recommendation effectively. For that matter, this recommendation was considered to be partially implemented.

7.6 Specific Conclusion

Based on the analysis of the implementation status of the previously issued recommendations, the audit concluded that TANESCO, EWURA, and MoE had

made enough effort to make sure that the recommendations were fully implemented.

7.7 Specific Recommendations

Recommendation to the Ministry of Energy (MoE)

MoE has to ensure that a recommendation that is partially implemented is taken seriously and fully implemented. Therefore, the Ministry should ensure that the following recommendation is implemented to the fullest:

1. Ensure that issues of accessibility and reliability of electricity supply services are covered in the monitoring and evaluation of TANESCO.

Recommendation to EWURA

EWURA has to ensure that a partially implemented recommendation is taken seriously and is fully implemented. Therefore, EWURA should ensure that the following recommendation is implemented to the fullest:

1. Ensure that monitoring and reporting on power reliability use relevant and reliable data.

Recommendation to TANESCO

TANESCO has to ensure that the partially implemented recommendation is taken seriously and fully implemented. Therefore, TANESCO should ensure that the following recommendation is implemented to the fullest:

1. Ensure that reliable data for Individual feeder/ sub-stations are recorded to enable measurement of performance efficiency in terms of reliability.

CHAPTER EIGHT

FOLLOW-UP AND IMPACT ASSESSMENT ON THE IMPLEMENTATION OF PERFORMANCE AUDIT RECOMMENDATIONS ON MANAGEMENT OF PROVISION OF CAPACITY BUILDING TO IN-SERVICE TEACHERS

8.1 Background to the Audit

Performance Audit Report on the Management of Provision of Capacity Building to In-Service Teachers was tabled before the Parliament of the United Republic of Tanzania in March 2020. The overall objective of the audit was to determine whether the Ministry of Education, Science and Technology and the President's Office – Regional Administration and Local Government ensure that capacity-building interventions for in-service teachers are effectively and efficiently implemented to improve teachers' competencies.

8.2 Audit Scope

The main audited entities were the Ministry of Education, Science and Technology (MoEST) and the President's Office - Regional Administration and Local Government (PO-RALG). These two entities are responsible for managing teachers' capacity-building activities. The audit focused mainly on all government initiatives in providing in-service teachers' capacity building in Primary and Secondary Public Schools, as they constitute 93 per cent of all in-service teachers in the country. The audit covered four financial years, from July 2015/16 to June 2018/19.

Data were collected from the list of selected Local Government Authorities (LGAs), namely Geita Town Council and Chato District Council in the Geita region, Meru and Karatu District Councils in the Arusha region, Mpanda Municipal Council and Nsimbo District Council in the Katavi region, Singida Municipal Council and Manyoni District Council in the Singida region, and Lindi Municipal Council and Kilwa District Council in the Lindi region.

8.3 Main Audit Findings

(a) Inadequate Provision of Capacity Building to In-Service Teachers

Despite achieving the set target for the provision of training to in-service teachers by 98 per cent, the audit team noted that MoEST and PO-RALG only targeted 32,314 in-service teachers who were equivalent to 18 per cent of 179,341 available primary school in-service teachers in the country between the financial years 2015/16 to 2018/19. From the financial year 2015/16 to 2018/19, 31,824 out of 32,314 targeted primary school in-service teachers, equivalent to 98 per cent, were trained. However, it was noted that trainings were confined to in-service teachers teaching 3Rs subjects (STD I & II) in primary schools, leaving out 147,027 in-service teachers for other subjects and grades, equivalent to 82 per cent untrained.

In addition, 77 per cent of the targeted Secondary School In-Service Teachers were trained from 2015/16 to 2018/19, and the main focus of the training was in Mathematics, Biology, English, and Kiswahili. Training in secondary schools was effected through the Student-Teachers' Enrichment Program (STEP). This program was among the Big Results Now (BRN) initiatives, which ended in the financial year 2015/16, and this period was termed the lower time limit for the scope of this audit.

It was further observed that only 19 per cent of the available 75,127 in-service teachers in secondary schools were targeted during the financial year 2015/16 countrywide. However, the audit team found no program intended to build teachers' capacity in secondary schools in the subsequent financial years.

The findings also revealed that in-service teachers rarely received Continuous Professional Support either through quality assurance visits or mentoring and on-job coaching. This was caused by the fact that quality assurance officers lacked knowledge compared to in-service teachers since some of the training was initially provided to teachers before the quality assurance officers were introduced. Consequently, this arrangement denied the Quality Assurance Officers the opportunity to perform their duties effectively. This eventually caused the in-service teachers to rarely receive professional support as expected.

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Likewise, the Tanzania Institute of Education inadequately distributed the learning materials necessary for enhancing the skills of in-service teachers, such as teachers' guides and teachers' self-learning modules. It was further revealed that the designed self-learning modules that were distributed were only those for Reading, Writing, and Numeracy. However, there were no self-learning modules for teachers who taught other subjects at the upper primary school level or for teachers in secondary schools.

Moreover, the performance audit found that capacity building for in-service teachers through continuous professional support was inadequately provided. Systems and mechanisms for mentoring and induction of the less experienced teachers to acclimatize them with the required practical professional skills and knowledge were not in place.

(b) Absence of Sustainable Strategies to Provide Capacity Building to In-Service Teachers

The audit revealed the absence of a Continuous Professional Development Framework (CPD). Despite being at its development stage, the framework would ensure sustainability and provide a clear guide on the technical issues in providing capacity-building training programs to in-service teachers.

Apart from being reflected in the Education Sector Development Plan (ESDP 2016/17-2020/21) of the Ministry of Education, Science and Technology, planning for capacity building to in-service teachers in both MoEST and PO-RALG solemnly relied on donor-funded projects such as LANES, EQUIP-T and *TUSOME PAMOJA*. Through the observation done in ten (10) visited LGAs, the audit team noted insufficient planning for capacity building for in-service teachers as there was no activity to provide capacity building in LGAs' annual plans.

The audit team further noted that three (3) out of ten (10) visited LGAs had prepared plans but did not consider the components towards the provision of capacity building. These LGAs were Meru DC, Karatu DC and Nsimbo DC. However, to some extent, seven (7) out of ten (10) visited LGAs incorporated INSET components to provide capacity building for the period from 2015/16 to 2018/19, though this was not consistently done.

(c) Insufficient Implementation of the Planned Capacity Building Activities

The audit team noted that for each financial year from 2015/16 to 2018/19, the proportion of in-service teachers in primary and secondary public schools who received in-service capacity building, particularly training, was less than 20 per cent of the in-service teachers in each financial year.

Likewise, it was observed that more in-service capacity-building training was provided to primary school teachers compared to those provided to secondary school teachers. The capacity building provided relied more on training, while the other forms of capacity building for in-service teachers, such as mentoring and induction, were not adequately provided to them.

(d) Inadequate Monitoring of the Activities linked to the Provision of In-Service Training

Both MoEST and PO-RALG were supposed to monitor the provision of capacity-building training to in-service teachers at the national level through joint field visits and other monitoring mechanisms. Thereafter, the two ministries, together with other Education stakeholders, were required to meet in the Annual Joint Education Review to deliberate on challenges and ways forward for improving, among other things, education issues and the progress of teachers' capacity-building activities. Despite the joint field visits by MoEST and PO-RALG, the audit team found that the identified challenges of in-service training were not among the main issues of discussion during the Joint Education Sector Review meetings.

(e) Ineffective Functioning of the Coordination Dialogue Framework

The audit found that the dialogue framework as a platform for coordinating MoEST and PO-RALG did not operate effectively. For example, at the national level, the established frameworks included three Technical Working Groups (TWG) and the Education Sector Development Committee (ESDC), which were supposed to meet quarterly to discuss technical issues, including capacity-building interventions for in-service teachers.

However, the audit found that these meetings were not consistently conducted. In some circumstances, during their sittings, these committees,

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on the odd occasion, discussed the issues related to teachers' capacity building. In addition, our audit team found that capacity-building interventions were conducted in LGAs through the consent of PO-RALG without the prior approval of the Ministry of Education, Science and Technology.

8.4 Overall Audit Conclusion

Despite having the government's efforts in place through MoEST and PO-RALG towards improving the provision of capacity building to in-service teachers, more interventions are needed for further improvements. Implemented interventions were inclined only to providing training while ignoring the other aspects of capacity-building interventions, such as induction programs, mentoring, and other professional support through teaching guides and learning materials. The audit concluded that both MoEST and PO-RALG lack effective mechanisms for managing the provision of capacity building to in-service teachers at the regional, LGA, and school levels.

8.5 Results of the Follow-up on the Implementation of Recommendations

This part presents the implementation status of issued recommendations to the Ministry of Education, Science and Technology (MoEST) and the President's Office – Regional Administration and Local Government (PO-RALG) on the performance audit on the Management of Provision of Capacity Building to In-Service Teachers.

The implementation of the issued recommendations was measured using four levels in the classification of recommendations, namely, *fully implemented recommendations, partially implemented recommendations, not implemented recommendations,* and *overtaken by event recommendations.* The following subsections explain the details of the implementation status of the issued audit recommendations.

8.5.1 Overall Implementation of Issued Recommendations

Twelve (12) recommendations were issued in this performance audit; seven (7) were directed to the MoEST, and five (5) were directed to PO-RALG. The overall follow-up results on implementing the issued audit

recommendations indicated that out of twelve (12) issued recommendations, four (4) were fully implemented, and eight (8) were partially implemented. **Table 8.1** details the implementation level for the two audited entities.

Table 8.1: Level of Implementation of Recommendations by Audited Entities

Audited Entity	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
MoEST	7	1	6	0	0
PO-RALG	5	3	2	0	0
Total	12	4	8	0	0

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 8.1 shows that out of seven (7) issued recommendations to MoEST, one (1) was fully implemented, and six (6) were partially implemented. Similarly, it is indicated that out of five (5) recommendations issued to PO-RALG, three (3) were fully implemented, and two (2) were partially implemented.

Further analysis of the issued recommendations for each recommendation category was made based on the four levels of implementation, namely, fully, partially, not implemented, and overtaken by event. **Table 8.2** provides the level of implementation for all issued recommendations based on these categories.

Table 8.2: Level of Implementation of Recommendations by Audited Entities

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	2	0	2	0	0
Implementation/ Execution	2	0	2	0	0
Coordination	6	4	2	0	0
Development	2	0	2	0	0
Total	12	4	8	0	0

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 8.2 indicates that out of twelve (12) recommendations issued to MoEST and PO-RALG, two (2) recommendations were directed in each

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category of planning, implementation and development, and they were partially implemented. Six (6) recommendations were in the coordination category, four (4) of which were fully implemented, and the other two (2) were partially implemented.

8.5.2 Results of Follow-Up of Implementation of Issued Recommendations to MoEST

This section details the implementation status of the issued recommendations to the Ministry of Education, Science and Technology (MoEST). A total of seven (7) recommendations were issued to MoEST. One (1) recommendation was fully implemented, and six (6) were partially implemented. Further analysis of the issued recommendations per each category was made based on the analysis of the follow-up results. **Table 8.3** summarises the implementation status of the recommendations issued to MoEST by category.

Table 8.3: Level of Implementation of Recommendations by Category of Recommendations

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	2	0	2	0	0
Implementation/Execution	2	0	2	0	0
Coordination	1	1	0	0	0
Development	2	0	2	0	0
Total	**7**	**1**	**6**	**0**	**0**

Source: *Auditors' Analysis of the Responses on the Implementation Status of the Issued Recommendations (2023)*

Table 8.3 shows that out of seven (7) recommendations issued to MoEST, two (2) were in the planning category, and all were partially implemented. Likewise, the two (2) recommendations in the implementation category were all partially implemented. The one (1) recommendation was in the coordination category and was fully implemented. In addition, the two (2) recommendations were in the development category and were all partially implemented.

Below are the details of the implementation status of the issued recommendations based on the four levels of implementation, namely, fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of seven (7) recommendations issued to MoEST indicates that their implementation status fell under two (2) out of four (4) levels of implementation, which were fully implemented and partially implemented, as detailed below.

(i) Details of Recommendation that was Fully Implemented

The analysis of submitted evidence from MoEST indicated that one (1) recommendation was fully implemented. This recommendation and the status of implementation are explained below:

Recommendation 1: Provide guidance on how school-based capacity building should be conducted, including the allocation in the school general timetable and have regular reporting through monitoring and evaluation

The recommendation required MoEST to provide guidance on how school-based capacity building should be conducted, including the allocation in the school's general timetable and regular reporting through monitoring and evaluation. In the action plan developed by MoEST to implement this recommendation, MoEST indicated that it would finalize the guideline entitled "*Mwongozo wa Kuendeleza Umahiri wa Walimu Ngazi ya Shule*".

Reviewing the implementation status indicated that MoEST developed five Teachers' Continuous Professional Development (TCPD) guidelines on conducting Teacher Resource Centers (TRCs) and School-based TCPD. These guidelines include TRC Establishment and Operationalization, TCPD Implementation Guidelines at School, and TRCs, which guide how school-based capacity building should be conducted, including the allocation in the school general timetable, including regular reporting through monitoring and evaluation, TCPD Management Guidelines, Teachers' Needs Assessment Guidelines, and Peer Facilitator Guide. Therefore, this recommendation was fully implemented.

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(ii) Details of Recommendations that were Partially Implemented

The analysis of submitted evidence from MoEST indicated that six (6) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Fast track and operationalize the use of continuous professional development and emphasize continuous and sustainable school-based capacity building and professional development for in-service teachers

This recommendation required MoEST to fast-track and operationalize professional development, emphasising continuous and sustainable school-based capacity building and professional development for in-service teachers. In the action plan developed by MoEST to implement this recommendation, MoEST indicated that it would sign, print, and disseminate the Continuous Professional Development (CPD) Framework.

A review of the submitted implementation status showed that MoEST developed and signed the Continuous Professional Development (CPD) Framework in November 2020. It was further noted that the developed framework emphasized continuous and sustainable school-based capacity building and professional development of in-service teachers. However, there was no evidence to support the claim that the developed CPD Framework was disseminated to schools to promote adoption and its implementation. Therefore, this recommendation was partially implemented.

Recommendation 2: Ensure that the plans for capacity building are comprehensive to accommodate all categories of teachers (in Pre-primary, Primary and Secondary Schools). The plans should cover all subjects and all teachers' professional needs, such as assessment and subject content coverage

 The recommendation required MoEST to ensure that the plans for capacity building are comprehensive enough to accommodate all categories of teachers in pre-primary, primary, and secondary schools. In addition, it required that the developed plans cover all subjects and all teachers' professional needs, such as assessment and subject content coverage. In the

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action plan developed by MoEST to implement this recommendation, MoEST indicated that it would conduct regular need assessments for in-service teachers' training and update capacity-building plans regularly.

Reviewing the implementation status indicated that MoEST developed the guidelines for need assessment for in-service teachers' training in the year 2022 and is being used to update capacity-building plans regularly by collecting teachers' needs at the levels of Schools and Teachers' Resource Centers (TRCs).

However, it was noted that the details of the prepared guidelines were confined to providing instruction to pre-and primary school teachers and leaving out secondary school teachers. Furthermore, it is not evident that MoEST regularly conducted the need assessment for in-service training for all categories of teachers working in pre-primary, primary, and secondary schools. Therefore, this recommendation was partially implemented.

Recommendation 3: Strengthen capacity-building delivery to ensure common understanding to all education officers and teachers to improve teaching and learning conditions at all levels

This recommendation required MoEST to strengthen capacity-building delivery to ensure a common understanding among all education officers and teachers and to improve teaching and learning conditions at all levels. In the action plan developed by MoEST to implement this recommendation, MoEST indicated that it would ensure that Continuous Professional Development (CPD) is in place and that it would be sensitized and disseminated to all education stakeholders.

Through reviewing the implementation status, it was indicated that MoEST trained key educational officials at regional, Local Government Authorities (LGAs), Teachers' Resource Centers (TRCs), and school levels on the implementation and supervision of school and TRC-based TCPD, which is an ongoing regular activity nation-wide.

Nevertheless, none of the presented evidence, namely, TCPD Training to key education officials and the guidelines for implementing and supervising TRCs and school-based TCPD, suggests that education officials at regional and LGA levels received capacity building; instead, it only indicates how

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teachers' capacity building is strengthened through TRCs. Therefore, this recommendation was partially implemented.

Recommendation 4: Provide guidelines on the use of previously established Teacher Resource Centers (TRCs) to be the centres of teachers' self-learning and sharing of professional knowledge

This recommendation required MoEST to provide guidelines on using previously established TRCs to be the centres of teachers' self-learning and sharing of professional knowledge. The action plan developed by MoEST to implement this recommendation showed that MoEST would strengthen the existing Teachers' Resource Centers (TRCs) by allocating funds to these centres to facilitate the implementation of Continuous Professional Development (CPD). Also, it was mentioned that MoEST would prepare and disseminate guidelines that would help coordinate TRCs and other actors at the cluster level to implement the CPD. Similarly, it was mentioned that MoEST would train 966 TRC Coordinators and Ward Education Officers (WEOs) to realise this.

Through reviewing the implementation status, it was noted that MoEST had developed guidelines for establishing and coordinating TRCs for the years 2021 and 2022. Also, it was noted that MoEST conducted training for Ward Education Officers (WEOs) who serve as TRC Coordinators; this training covered 3,080 WEOs residing from 184 LGAs in Tanzania Mainland.

However, it was unclear if the funds required to support the implementation of CPD were allocated to these TRCs. This was further demonstrated through a review of the Report on the Implementation of the Continuous Professional Development of June 2023, which showed that few LGAs had budgets set aside for TCPD implementation and that even for the LGAs with these funds set aside, they were not allocated to the designated TRCs[4]. Therefore, this recommendation was partially implemented.

Recommendation 5: MoEST, in collaboration with PO-RALG, to devise a mechanism through which quality assurance information will be used in establishing teachers' professional needs and eventually being inputs for designing future capacity-building programs

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[4] Taarifa ya Utekelezaji wa Mafunzo Endelevu ya Walimu Kazini (MEWAKA), June, 2023 (Section 4.2.3)

Controller and Auditor General

This recommendation required MoEST, in collaboration with PO-RALG, to devise a mechanism through which quality assurance information would be used to establish teachers' professional needs and eventually be input for designing future capacity-building programs. The action plan MoEST developed to implement this recommendation indicated that MoEST would use School-Quality Assurance Reports to design capacity-building programs.

Through reviewing the implementation status, it was shown that MoEST used and analysed the internal and external School-Quality Assurance reports and information therein to establish teachers' needs for Schools and TRCs-based TCPDs. However, despite the submitted Annual Assessment Reports by schools to LGAs and PO-RALG Headquarters, there was insufficient evidence to support the claim that the submitted needs assessments were based on the internal and external School Quality Assurance reports. Therefore, this recommendation was partially implemented.

Recommendation 6: Ensure consistency in the context of all aspects of training offered to in-service teachers at all levels to achieve the intended goals of the in-service training

This recommendation required MoEST to ensure consistency in the context of all aspects of training offered to in-service teachers at all levels to achieve the intended goals of the in-service training. In the action plan developed by MoEST to implement this recommendation, MoEST indicated that it would endeavour to provide consistent in-service teacher training as per existing needs and available resources.

Reviewing the implementation status, it was noted that MoEST had issued TCPD guidelines with instructions consistent with all schools and TRC-based TCPDs.

However, despite the availability and accessibility of the issued guidelines, it was not clear to auditors that there was a mechanism in place to help inform MoEST as to whether the targeted education stakeholders comply with the use of the guidelines to ensure consistency in the context of all aspects of training offered to in-service teachers. Therefore, this recommendation was partially implemented.

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Perceived Impact Based on the Performance Audit Recommendations Issued to the Ministry of Education, Science and Technology (MoEST)

Introduction of the National Framework for Teachers' Continuous Professional Development (NF-TCPD)

A review of the implementation status revealed that out of the seven recommendations issued to MoEST, five (5) were provided with the status indicating effective use of the newly introduced teachers' training system grounded on the National Framework for Teachers' Continuous Professional Development Framework (NF-TCPD). The NF-TCPD intended to guide national initiatives to improve teachers' effectiveness, thus facilitating national coordination and harmonization of TCPD across the country.[5] **Figure 8.1** summarizes the list of recommendations issued to MoEST, whose implementation was assured based on the implementation of the NF-TCPD.

Figure 8.1: The Role of the NF-TCPD in Ensuring the Implementation of Issued Audit Recommendations
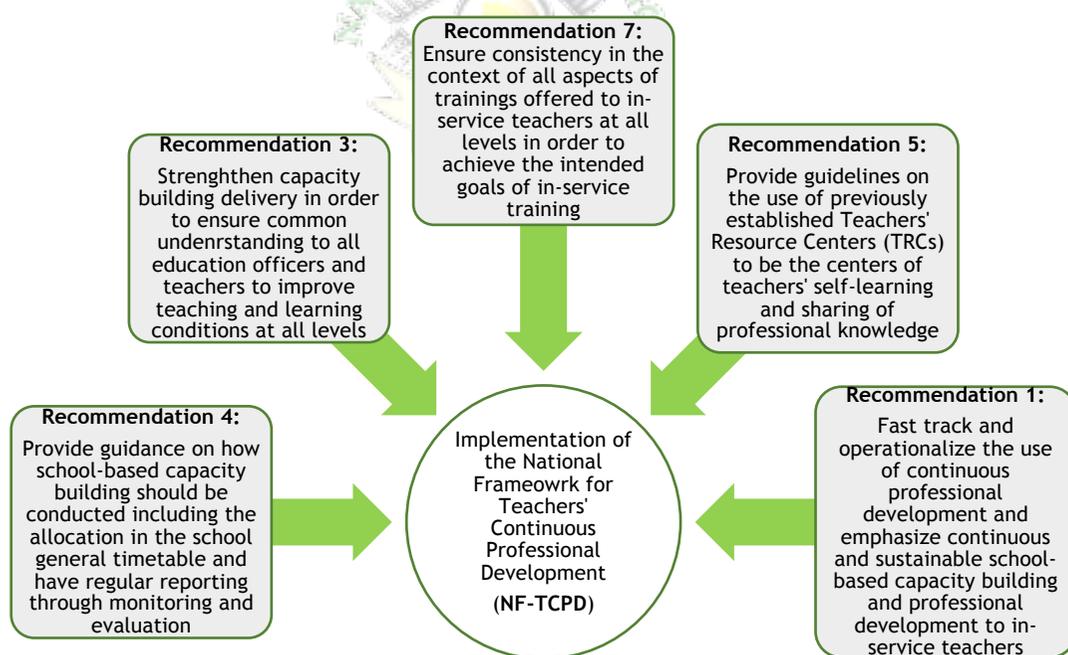
Source: *Auditors' Analysis of the Received Responses from MoEST (2023)*

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[5] National Framework for Teachers Continuous Professional Development (November, 2020)

Interviews with officials at MoEST and PO-RALG revealed that the introduction of TCPD had replaced the top-down model in providing capacity-building training to in-service teachers, which was used to accommodate a large number of teachers. However, it was noted that the introduction of TCPD reduced government spending in providing capacity-building training programs and ensured opportunities for professional development.

Furthermore, it was noted that implementing this Framework also enabled teachers to participate in self-learning, which enhanced their teaching practices and, ultimately, improved student outcomes. Overall, the introduction and implementation of the TCPD demonstrated changes in the way teachers acquire and apply new knowledge and skills.

Besides, it was revealed during interviews with officials from MoEST that teachers who have been empowered about the importance of participating in the TCPD program expressed that this program created an opportunity for them to meet and exchange experiences without waiting for training from outside. This step enabled teachers to plan for themselves the things they need to strengthen themselves instead of waiting for training organized by the ministry.

8.5.3 Results of Follow-Up of Implementation of Issued Recommendations to PO-RALG

This section details the implementation status of the issued recommendations to the President's Office – Regional Administration and Local Government (PO-RALG). A total of five (5) recommendations were issued to PO-RALG. Three (3) recommendations were fully implemented, and two (2) were partially implemented. **Table 8.4** summarises the implementation status of the recommendations issued to MoEST by category.

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Table 8.4: Level of Implementation of Recommendations by Category of Recommendations

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Coordination	5	3	2	0	0
Total	**5**	**3**	**2**	**0**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 8.4 shows that all five (5) recommendations issued to PO-RALG were in the coordination category, with three (3) of the recommendations being fully implemented, whereas two (2) recommendations were partially implemented.

Below are the details of the status of implementation of the issued recommendations based on the four implementation levels: fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of five (5) recommendations issued to PO-RALG indicates that their implementation status fell under two (2) out of four (4) levels of implementation, which were fully implemented and partially implemented, as detailed below.

(i) Details of Recommendations that were Fully Implemented

The analysis of submitted evidence and information from PO-RALG indicated that three (3) recommendations were fully implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Devise a mechanism through which capacity-building plans and targets from lower levels of education consider actual teachers' professional needs gathered from teachers' school operations and quality assurance reports. These plans should be communicated to higher levels to form the overall national in-service teachers' capacity-building plans

This recommendation required PO-RALG to devise a mechanism through which capacity-building plans and targets from lower levels of education consider actual teachers' professional needs gathered from teachers' operations at school and from Quality Assurance (QA) reports. Also, these

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plans should be communicated to higher levels to form the overall national in-service teachers' capacity-building plans.

In the action plan developed by PO-RALG to implement this recommendation, it was indicated that PO-RALG would finalize the guidelines for the Continuous Professional Development (CPD) Framework, which would include recommended actions. In addition, PO-RALG planned to receive the teachers' needs assessment (including recommendations from QA reports) every three months to help establish a database of the teachers' training needs.

Through reviewing the implementation status, it was noted that to realize effectiveness towards the provision of in-service teachers' capacity building, in the year 2022, PO-RALG, in collaboration with MoEST developed the four Teachers' Continuous Professional Development (TCPD) Guidelines, namely, A Guide to Setting Up and Running Teachers' Resource Centers, Guidelines for Implementing Teachers' Continuous Professional Development, Guidelines for Managing the Implementation of Teachers' Continuous Professional Development, and Guidelines for Assessing the Needs of In-Service Teachers at LGA level.

Through interviews with officials at PO-RALG and a review of the submitted TCPD Guidelines and TCPD Modules, it was noted that the TCPD Framework was finalized, approved, and rolled out for implementation. In addition, the follow-up team verified the twelve (12) developed TCPD Modules accessed through the system to enhance and improve their teaching, classroom instruction processes, management of the teaching-learning environment and professional knowledge. Therefore, this recommendation was fully implemented.

Perceived Impact

The twelve (12) modules developed and the proposed TCPD guidelines assisted in-service teachers in developing their teaching professionals and abilities to give feedback to higher-level educational officials. In addition, in-service teachers will also implement cluster and school-based teachers' continuous professional development programs through LGAs to guarantee minimal performance standards at the pre-primary and primary school levels. These initiatives will enhance the overall teaching and learning process.

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Recommendation 2: Strengthen capacity-building strategies such as mentoring, induction programs, and coaching to provide professional support and development to in-service teachers

This recommendation required PO-RALG to strengthen capacity-building strategies such as mentoring, induction programs, and coaching to provide professional support and development to in-service teachers. In the action plan developed by PO-RALG to implement this recommendation, it was indicated that PO-RALG would issue directives to LGAs to insist on the use of Ward Education Officers (WEOs), Quality Assurers (QAs), and Heads of Schools to provide support to teachers.

Through reviewing the implementation status, it was noted that on 21 July 2022, PO-RALG issued a directive through a letter with Reference Number DA.291/297/04/17 requiring LGAs to implement training regarding the implementation of TCPD at school and cluster levels. In addition, it was noted that PO-RALG ensured teachers' professional support and development through the training conducted following the roll-out of the National Framework for Teachers' Continuous Professional Development (NF-TCPD). This training involves 36,486 participants, with 96.2% being teachers and 3.8% being educational leaders.

It was further noted that participants trained on TCPD implementation included national facilitators, educational leaders [Regional Education Officers (REOs), Regional Academic Officers (RAOs), Zonal Chief School Quality Assurance Officers (ZCQAOs), District Primary Education Officers (DPEOs), District Primary Academic Officers (DPAOs), Teachers' Service Commission Assistant Secretaries (TSCAS) and Ward Education Officers (WEOs)], pre-and primary school teachers (academic teacher and peer facilitator), teachers teaching pupils with special needs and COBET teachers.[6] Therefore, this recommendation was fully implemented.

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[6] A report on the Roll-Out of the Teachers' Continuous Professional Development Training Program, 2021/22-2022/23

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Recommendation 3: Strengthen the reporting system used to monitor and supervise the use of the top-down approach (Cascade Model) in providing capacity building down to the school level by ensuring that education management officers at all levels are informed on the progress of implementation

This recommendation required PO-RALG to strengthen the reporting system used to monitor and supervise the use of the top-down approach (Cascade Model) in providing capacity building down to the school level by ensuring that education management officers at all levels are informed on the implementation progress. The action plan developed by PO-RALG to implement this recommendation indicated that PO-RALG would issue directives to emphasize the reporting of conducted training at the school level. Also, it was indicated that this would be realized when MoEST finalises approval of the School-Based Continuous Professional Development guideline to address the challenge.

A review of the implementation status indicated that PO-RALG developed and shared forms used as reporting tools for the training conducted at school and cluster levels. These forms included Form 1A, 1B, and 1C to provide for Needs Assessments at school, cluster, and LGA levels. Also, PO-RALG developed forms 2A, 2B, and 2C to provide for Annual TCPD plans at school, cluster, and LGA levels. Similarly, forms 3A, 3B and 3C were developed to provide monthly reports on TCPD implementation. It was further verified that these forms were in use and formed a basis for reporting and monitoring the provided training at all levels. Therefore, this recommendation was fully implemented.

(ii) Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from PO-RALG indicated that two (2) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

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Recommendation 1: Ensure that plans for in-service teachers' capacity building at Regional, LGAs and school-based are comprehensive and accommodate all categories of teachers (in pre-primary, primary, and secondary schools), subjects and teachers' professional needs such as assessments and subjects' contents

This recommendation required PO-RALG to ensure that the prepared plans for in-service teachers' capacity building at Regional, LGAs and school-based are comprehensive and accommodate all categories of teachers (in pre-primary, primary, and secondary schools), subjects, and teachers' professional needs, such as assessments and subjects' contents.

In the action plan developed by PO-RALG to implement this recommendation, it was indicated that PO-RALG would communicate the recommendations to the institution organizing training for action, i.e., the Tanzania Institute of Education (TIE) and Agency for the Development of Educational Management (ADEM) for action.

A review of the implementation status indicated that PO-RALG incorporated requirements of the issued recommendation through the already approved Teachers' Continuous Professional Development Guidelines (TCPD) and that these guidelines would support and accommodate all categories of teachers.

Although it was acknowledged that the issued recommendation would be customized to reflect all categories of teachers, further review of the submitted guidelines revealed that they did not consider secondary school teachers and their relevant subjects. Similarly, it was noted that the twelve (12) TCPD Modules did not account for teachers in secondary schools to reflect the requirement of the issued recommendation. Therefore, this recommendation was partially implemented.

Recommendation 2: Ensure consistency in the contexts of all aspects of training offered to in-service teachers at all levels to achieve the intended goals of the in-service training

This recommendation required PO-RALG to ensure consistency in the contexts of all aspects of training offered to in-service teachers at all levels to achieve the intended goals of the in-service training. The action plan

developed by PO-RALG to implement this recommendation indicated that PO-RALG would issue directives to LGAs and ensure that the training conducted at school levels is consistent regarding duration and contents.

A review of the implementation status revealed that PO-RALG ensured this over instruction during the roll-out and implementation of the TCPD guideline, which considered the variations in teaching settings faced by teachers in various regions. However, it was noted that the established Needs Assessment Tools focused on primary school teachers and ignored secondary school teachers.[7] Therefore, this recommendation was partially implemented.

8.6   Specific Conclusion

According to the analysis made on the implementation status and review of the submitted supporting evidence by the two (2) audited entities, four (4) recommendations were fully implemented, and eight (8) were partially implemented. This leads to the conclusion that the two (2) audited entities, MoEST and PO-RALG, indicated initiatives to ensure the implementation of the issued audit recommendations.

8.7 Specific Recommendations

Recommendations to the Ministry of Education, Science and Technology (MoEST)

The Ministry of Education, Science and Technology is urged to:

2. Ensure that all recommendations that were marked as partially implemented are fully implemented; and

3. Liaise with PO-RALG to ensure full implementation of the issued recommendations that are collaborative.

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[7] Needs Assessment Report (2021)

Recommendations to the President's Office – Regional Administration and Local Government (PO-RALG)

The President's Office – Regional Administration and Local Government is urged to:

1. Ensure that all recommendations that were marked as partially implemented are fully implemented; and

2. Liaise with MoEST to ensure the collaborative implementation of the issued recommendations.

CHAPTER NINE

FOLLOW-UP AND IMPACT ASSESSMENT ON THE IMPLEMENTATION OF PERFORMANCE AUDIT RECOMMENDATIONS ON NATIONAL INITIATIVES TO COMBAT MONEY LAUNDERING

9.1 Background to the Audit

Performance Audit Report on the Implementation of National Initiatives to Combat Money Laundering was tabled before the Parliament of the United Republic of Tanzania in March 2020. The overall objective of the audit was to determine whether the Ministry of Finance and Planning, through the Financial Intelligence Unit, has appropriately designed and implemented a management framework for combating money laundering in the country to promote the detection and deterrence of money laundering.

9.2 Audit Scope

The main audited entities were the Ministry of Finance (MoF), the Financial Intelligence Unit (FIU) and the National Multi-Disciplinary Committee on Anti-Money Laundering (NAMLC). MoF is responsible for coordinating anti-money laundering policies and strategies, mobilization and management of resources, and management of Government property and public investments. FIU, on the other hand, is responsible for administering the anti-money laundering legislation and other functions to combat money laundering in the country.

The audit focused mainly on the adequacy of the available institutional framework for combating money laundering, the performance of the implementing agencies in meeting the anti-money laundering requirements and the coordination of anti-money laundering activities among such agencies in the country.

Data and information were gathered from the Ministry of Finance, the Financial Intelligence Unit and the National Multi-Disciplinary Committee on Money Laundering (NAMLC). The audit covered four (4) financial years from 2015/16 to 2018/19. This period provided a trend in implementing the available initiatives to combat money laundering made by implementing agencies.

9.3 Main Audit Findings

Deficiencies in the Anti-Money Laundering Policy, Regulatory and Institutional Framework

(a) The Absence of an Anti-Money Laundering Policy

The audit team noted the lack of an anti-money laundering policy to guide national initiatives to combat Money Laundering in the country. However, the government, through the Ministry of Finance and Planning (MoFP), under the advice of the National Multi-Disciplinary Committee on Anti-Money Laundering (NAMLC), managed to conduct a National Money Laundering and Terrorist Financing Risk Assessment from September 2015 to December 2016. The assessment was coordinated by the Financial Intelligence Unit (FIU). The assessment revealed that 19 sectors of the economy were vulnerable to money laundering abuse, and 33 different criminal activities posed a threat to money laundering. Despite these findings, no national policy has been developed to guide efforts to combat money laundering.

(b) The Absence of an Anti-Money Laundering Strategy

There is no Anti-Money Laundering Strategy. The Anti-Money Laundering Strategy of 2010 to 2013, which has expired, defined roles and responsibilities for all actors identified in the country. The actors include Policy Makers, the Financial Intelligence Unit, Law Enforcement Agencies (LEAs), the National Multi-Disciplinary Committee for Anti-Money Laundering (NAMLC) and other implementing agencies. The audit team noted, however, that the NAMLC was reviewing the 2010-2013 Strategy and that there is an updated draft strategy. The absence of an AML Policy and Strategy limits the coordination between actors while implementing measures for combating money laundering in the country.

(c) The Presence of Unregulated and High Money Laundering Risk Sectors in the Economy

The National Risk Assessment of 2016 identified nine (9) sectors of the economy with high to medium money laundering (ML) risks. Out of these sectors, four (4) had high ML risk, and five (5) had medium-high ML risk. The four (4) sectors with high ML risk are real estate, informal value transfer

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(Hawala) services, dealers in precious metalsand stones and motor vehicle dealers. Three (3) of the four (4) sectors are not regulated despite being high-risk, and hawala services are illegal in Tanzania.

The five (5) sectors identified as having medium-high Money Laundering risk are banking, Bureau de Change, casinos and other gaming activities, electronic money issuers and lawyers, notaries and other independent legal professionals in the country. Out of these five (5) sectors, the lawyers, notaries and other independent legal professionals' sectors do not have a designated regulator for AML/ Counter Financing of Terrorism (CFT) purposes.

(d) Inadequate Money Laundering Risk Identification and Assessmentin the Country

Since 2016, the national risk assessment has not been reviewed despite the technological changes occurring worldwide, including in Tanzania, especially in the online currency business. The last National Risk Assessment was conducted in 2016.

Financial Action Task Force (FATF) recommendations require financial institutions, non-financial businesses, and professionals (DNFBPs) to conduct institutional risk assessments. However, it was observed that only the National Board of Accountants and Auditors (NBAA) issued guidelines with respect to the proper conduct of Accountants and Auditors in relation to complying with the requirements of the anti-money laundering legislation in the country.

Non-Compliance with Anti-Money Laundering Requirements by Implementing Agencies

(a) Non-Submission of Suspicious Transactions Reports by some Sectors

The audit team noted that the number of suspicious transaction reports submitted to FIU by reporting persons was insignificant compared to the size of Tanzania's economy.

(b) Declining Trend of Disseminated Intelligence Packages

Despite an increase in the number of submitted and analyzed Suspicious Transactions Reports, there was a decline in disseminated intelligence packages. From 2015/16 to 2018/19, the number ofanalyzed suspicious transaction reports decreased from 20% in 2015/16 to 4% in 2018/19.

(c) Delay in Submission of the Cross-Border Currency Reports to FIU

The audit team noted that TRA customs officials did not take timely actions to submit Cross-Border Declaration of Currency Reports (CBDCRs) to FIU. This was attributed to customs officials from the Tanzania Revenue Authority who submitted CBDCRs to the FIU monthly rather than weekly, as stipulated in the Anti-Money Laundering (Cross-Border Declaration of Currency) Regulations2016.

(d) Limited Issuance of Guidelines to Reporting Persons

The National Risk Assessment of 2016 identified nineteen (19) sectors of the economy at risk for money laundering abuse. Only four (4) out of the nineteen (19) identified sectors (equivalent to 21%) were issued with guidelines related to compliance with anti-money laundering requirements. Thismeans the remaining fifteen (15) sectors operate without anti-money laundering guidelines. FIU, in collaboration with regulators, are supposed to issue those guidelines. It was further noted that many sectors without guidelines do not have regulators. Havingunregulated sectors hampered the issuance of guidelines for the sector.

(e) Low Number of Inspections of Reporting Persons

A few inspections were conducted on reporting persons to ensure compliance with anti-money laundering requirements, especially submission of the Suspicious Transaction Reports (STRs). Inspections were mostly planned and conducted on banks and electronic money issuers from 2016/17 to 2018/19.

Few inspections were due to a lack of regulators for many sectors. Only financial institutions such as banks have well-structuredmechanisms for ensuring compliance with anti-money laundering requirements. This is due to the presence of a regulator (Bank of Tanzania) that can sanction financial

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institutions that do not comply with anti-money laundering requirements.

(f) *Deficiencies of the Anti-Money Laundering Coordination Framework*

National Multi-Disciplinary Committee on Anti-Money Laundering (NAMLC), as coordinator, is required to have a coordination mechanism for AML activities. However, the audit team noted the country's lack of an anti-money laundering coordination framework. A coordination framework is needed to integrate the reporting structure to implement initiatives related to policy objectives.

There were inadequate reporting and feedback mechanisms between actors involved in combating money laundering in the country. A lack of policy and strategy caused this to guide coordination between actors.

9.4   Overall Audit Conclusion

The Ministry of Finance and Planning, the National Multi-Disciplinary Committee on Anti-Money Laundering and the Financial Intelligence Unit (FIU) are operating under an institutional framework which is notfunctioning optimally for combating money laundering in the countryto promote the detection and deterrence of money laundering activities. This is due to inadequate functioning of the institutional framework, non-compliance by implementing agencies, and the absence   of strong coordination mechanisms by the National Anti-Money Laundering Committee during the planning and implementation of initiatives to combat money laundering in the country.

9.5   Results of the Follow-up on the Implementation of Recommendations

This part presents the implementation status of issued recommendations to the Ministry of Finance (MoF), Financial Intelligence Unit (FIU) and National Multi-Disciplinary Committee on Anti-Money Laundering (NAMLC) on the implementation of performance audit recommendations on the national initiatives to combat money laundering.

The implementation of the issued recommendations was measured using four levels in the classification of recommendations, namely, *fully*

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implemented recommendations, partially implemented recommendations, not implemented recommendations, and *overtaken by event recommendations*. The following subsections explain the status of the implementation of the issued audit recommendations.

9.5.1 Overall Implementation of Issued Recommendations

A total of twelve (12) recommendations were issued in this performance audit. One recommendation was directed to the Ministry of Finance, four to the National Multi-disciplinary Committee on Anti-Money Laundering (NAMLC), and seven to the Financial Intelligence Unit (FIU). The overall follow-up results on implementing the issued audit recommendations indicate that out of the twelve (12) recommendations, seven (7) were fully implemented, and five (5) were partially implemented. **Table 9.1** details the implementation level for the three audited entities.

Table 9.1: Level of Implementation of Recommendations by Audited Entities

Audited Entity	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
MoF	1	0	1	0	0
NAMLC	4	3	1	0	0
FIU	7	4	3	0	0
Total	**12**	**7**	**5**	**0**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 9.1 shows that one (1) recommendation was partially implemented by the Ministry of Finance. Similarly, it is indicated that out of four (4) recommendations issued to the National Multi-disciplinary Committee on Anti-Money Laundering, three (3) were fully implemented, and one (1) was partially implemented. Also, out of seven (7) issued recommendations to FIU, four (4) recommendations were fully implemented, and three (3) recommendations were partially implemented.

Further analysis of the issued recommendations for each category was made based on the four (4) implementation levels: fully, partially, not implemented, and overtaken by event. **Table 9.2** provides the level of implementation for all issued recommendations based on these categories.

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Table 9.2: Level of Implementation of Recommendations by Audited Entities

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	1	0	1	0	0
Monitoring and Evaluation	6	3	3	0	0
Development	5	4	1	0	0
Total	**12**	**7**	**5**	**0**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 9.2 shows that, out of six (6) recommendations in the monitoring and evaluation category, three (3) were fully implemented, and three (3) were partially implemented. Similarly, it is indicated that out of five (5) recommendations in the development category, four (4) recommendations were fully implemented, and one (1) was partially implemented. In addition, one (1) recommendation in the planning category was partially implemented.

9.5.2 Results of Follow-Up of Implementation of Issued Recommendations to Ministry of Finance (MoF)

This section details the implementation status of the issued recommendations to the Ministry of Finance (MoF). Only one (1) recommendation was issued to MoF and was partially implemented. **Table 9.3** summarises the implementation status of the recommendation issued to MoF by category of recommendations.

Table 9.3: Level of Implementation of Recommendations by Category of Recommendations

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	1	0	1	0	0
Total	**1**	**0**	**1**	**0**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

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Table 9.3 shows that one (1) recommendation was in the Planning category and was partially implemented.

Below are the details of the implementation status of the issued recommendations based on the four (4) implementation levels: fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of one (1) recommendation issued to MoF indicates that their implementation status fell under one (1) out of four (4) levels of implementation, which was partially implemented, as detailed below.

(i)   Details of Recommendation that was Partially Implemented

The analysis of submitted evidence and information from MoF indicated that one (1) recommendation was partially implemented. This recommendation and the status of implementation are explained below:

Recommendation 1: Ensure that FIU and other implementing agencies have the required capacity and resources to implement anti-money laundering strategies and plans effectively

This recommendation required the Ministry of Finance to allocate resources (human and financial) to FIU and other implementing agencies that would facilitate the implementation of initiatives to combat money laundering in the country. The evidence submitted revealed an improvement in releasing funds needed by FIU to cater to planned activities. The approved funds for 2020/21, 2021/22, and 2022/23 were TZS 2.9 billion, TZS 3.6 billion, and TZS 3.7 billion, respectively. The release of funds to FIU for the years 2020/21, 2021/22, and 2022/23 were TZS 2.9 billion, TZS 3.3 billion, and TZS 3.5 billion, respectively. FIU used the allocated funds to conduct core activities, facilitating FIU in providing training to other implementing agencies.

Human resources at FIU were and still are very challenging for operations as the number of available staff was 23 while the required number of staff was 50, implying a staff shortage of 54% by 2022/23. The staff shortage was experienced in the Monitoring department, which is responsible for conducting activities related to receiving Suspicious Transaction Reports, analysing STRs, and disseminating Intelligence Packages to Law

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Enforcement Agencies if there were reasonable grounds to suspect money laundering, terrorist financing, or any other related crimes.

This recommendation is partially implemented as long as the resources allocated do not meet the requirements.

As a result of the allocated resources to FIU, the audit team noted an increase in received and analysed Suspicious Transaction Reports (STRs) from 845 in 2021/22 to 934 in 2022/23. This also increased the number of intelligence packages disseminated to LEAs for investigations and other competent authorities from 44 in the Financial Year 2021/22 to 333 in the Financial Year 2022/23.

9.5.3 Results of Follow-Up of Implementation of Issued Recommendations to National Multi-disciplinary Committee on Anti-Money Laundering

This section details the implementation status of the issued recommendations to the National Multi-disciplinary Committee on Anti-Money Laundering. Four (4) recommendations were issued to the National Multi-disciplinary Committee on Anti-Money Laundering. Three (3) recommendations were fully implemented, and one (1) was partially implemented. **Table 9.4** provides a summary of the implementation status of the recommendations issued to the National Multi-disciplinary Committee on Anti-Money Laundering by category of recommendations.

Table 9.4: Level of Implementation of Recommendations by Category of Recommendations

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Monitoring and Evaluation	1	0	1	0	0
Development	3	3	0	0	0
Total	**4**	**3**	**1**	**0**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 9.4 shows that one (1) recommendation in the monitoring and evaluation category was partially implemented, and three (3)

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recommendations were in the development category and were fully implemented.

Below are the details of the implementation status of the issued recommendations based on the four (4) implementation levels: fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of four (4) recommendations issued to the National Multi-disciplinary Committee on Anti-Money Laundering indicates that their implementation status fell under two (2) out of four (4) levels of implementation, which are fully implemented and partially implemented, as detailed below.

(i) Details of Recommendations that were Fully Implemented

The analysis of submitted evidence and information from the National Multi-disciplinary Committee on Anti-Money Laundering indicated that three (3) recommendations were fully implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Develop an Anti-money laundering policy and strategy to facilitate prompt implementation of initiatives to combat money laundering in the country

This recommendation required the National Multi-disciplinary Committee on Anti-Money Laundering to ensure that an Anti-money laundering policy and strategy facilitate the prompt implementation of initiatives to combat money laundering in the country. Financial Action Task Force standards require URT to formulate either a Policy or strategy to combat ML/TF/PF.

In consultation with AML/FT Stakeholders, the national committee formulated an AML/CFT/CPF strategy. A review of the implementation status noted that the National Multi-disciplinary Committee on Anti-Money Laundering had developed a Strategy and Policy to regulate and combat ML/TF/PF in the country. Therefore, this recommendation was fully implemented. The AML/CFT/CPF strategy 2022/23 to 2026/27 has been under operation since July 2022.

As a result, the audit team noted the strategy to improve the coordination of actors involved in implementing combating ML/TF, namely NAMLC, FIU,

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and LEAs. Coordination limits duplication of efforts among actors during the inspection of reporting persons.

Recommendation 2: Devise a mechanism for AML stakeholders that will enable wide sharing of information on the implementation of the AML initiatives amongst implementing agencies

This recommendation required the National Multi-disciplinary Committee on Anti-Money Laundering to devise a mechanism for AML stakeholders that will enable wide sharing of information on implementing the AML initiatives amongst implementing agencies. A review of the implementation status noted that they developed the National AML Statistics Management System (NASMS), which is used for data management statistics related to AML/CFT/CPF. Also, FIU signed MoU with other Authorities to share information.

There is automation and coordinated mechanism for information sharing among agencies dealing with Anti-Money Laundering/CFT/CPF. The established devices are the goAML[8] application system and the newly established national AML/CFT/CPF Statistics management system, NASMS.

LEAs like PCCB and Zanzibar Anti-Corruption and Economic Crimes Authority have signed a Memorandum of Understanding (MoU) with FIU, which details the method of exchanging information (request and dissemination), the sharing and statistic feedback and designated liaison officers responsible for implementing the MoU. The MoU detailed regular meetings (monthly for steering) to be held to discuss issues of common interest. It is expected that similar MoUs will be signed with other LEAs. Therefore, this recommendation was fully implemented.

Recommendation 3: Develop an anti-money laundering policy and strategy to formulate an institutional policy framework for regulators in all unregulated sectors identified as prone to money laundering.

This recommendation required the National Multi-disciplinary Committee on Anti-Money Laundering to formulate an institutional policy framework for regulators for all unregulated sectors identified as prone to money

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[8] The goAML application is a fully integrated software solution developed specifically for use by Financial Intelligence Units (FIU's)

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laundering. A review of the implementation status noted that the National Multi-disciplinary Committee on Anti-Money Laundering FIU managed to develop a Strategy and Policy to regulate and combat ML/TF/PF in the country. Also, the AML/CFT compliance Guide on Obligations of Designated non-financial businesses and professions (DNFBPs) was developed in January 2023. Moreover, the audit team was informed that the Inspection Report for the Unregulated Sector had been prepared. Therefore, this recommendation was fully implemented.

(ii) Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from the National Multi-disciplinary Committee on Anti-Money Laundering indicated that one (1) recommendation was partially implemented. This recommendation and the status of implementation are explained below:

Recommendation 1: Adhere to a reporting mechanism, guidelines, agreements, and defined procedures for reporting AML information

This recommendation required the National Multi-disciplinary Committee on Anti-Money Laundering to adhere to a reporting mechanism, guidelines, agreements, and defined procedures for reporting AML information. Through a review of the implementation status, it was noted that all supervisory authorities are in the process of conducting AML/CFT/CPF on-site-inspections after completing their sector risk assessment, which is expected to identify areas with high ML/TF/PF risk and plan for an onsite visit to ensure proper mitigation are in place. The inspections are also intended to verify the reporting persons' compliance with AML/CFT/CPF programs by the anti-money laundering laws.

Reporting was highly complied with by financial institutions, but DNFBPs did not comply, and they managed to develop guidelines to assist AML/CFT/CPF. Therefore, this recommendation was partially implemented.

9.5.3 Results of Follow-Up of Implementation of Issued Recommendations to FIU

This section details the status of the implementation of the issued recommendations to the Financial Intelligence Unit. A total of seven (7)

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recommendations were issued to FIU. Four (4) recommendations were fully implemented, and three (3) were partially implemented. **Table 9.5** summarises the implementation status of the recommendations issued to FIU by category.

Table 9.5: Level of Implementation of Recommendations by Category of Recommendations

Category of Recommendation	Total Number of Issued Recommen dations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Monitoring and Evaluation	5	3	2	0	0
Development	2	1	1	0	0
Total	**7**	**4**	**3**	**0**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 9.5 shows that, out of five (5) recommendations in the monitoring and evaluation category, three (3) were fully implemented, and two (2) recommendations were partially implemented. It is further indicated that in the two (2) recommendations in the Development category, one (1) recommendation was fully implemented, and one (1) was partially implemented.

Below are the details of the implementation status of the issued recommendations based on the four (4) implementation levels: fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of four (4) recommendations issued to FIU indicates that their implementation status fell under two (2) out of four (4) levels of implementation, which are fully implemented and partially implemented, as detailed below.

(i) Details of Recommendations that were Fully Implemented

The analysis of submitted evidence and information from FIU indicated that four (4) recommendations were fully implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Devise a mechanism that will ensure that all AML statistics are readily available

This recommendation required FIU to devise a mechanism to ensure all AML statistics were readily available. FIU, in collaboration with other competent authorities, the e-government Authority (e-GA) and the Zanzibar e-government agency developed a computerized system called national AML/CTF/CPF statistics management system (NASMS) to ensure that all AML/CFT/CPF statistics were readily available and maintained at the Financial Intelligence Unit (FIU) centralized Data Base. The system was developed in October 2022 and completed in July 2023.

The audit team visited the Financial Intelligence Unit (FIU) to ascertain the usefulness of the developed system. The system had registered 42 Regulatory Authorities, and it was also able to provide quarterly reports. Therefore, this recommendation was fully implemented because a review of the presented system confirms that the requirement regarding the availability of statistics and information is adequately executed.

The impact of implementing the recommendation was that the Financial Intelligence Unit (FIU) instituted the NASMS system, which assisted the Law Enforcement Agencies (LEA) and Regulators in reporting and exchanging information among actors. Also, NASMS allowed the FIU to know the action taken on the reported suspicious transaction, thereby allowing the FIU to remind law enforcement agencies to act on time.

Recommendation 2: Devise clear working and coordinated feedback mechanisms that will ensure that feedback is given for all information disseminated and shared among implementing agencies within the AML framework

This recommendation required FIU to devise clear working and coordinated feedback mechanisms to ensure that feedback is given for all information disseminated and shared among implementing agencies within the AML framework. A statistics management system (NASMS) is one of the means of getting feedback on the progress of ML/TF/PF investigations and prosecutions, including those initiated by financial intelligence from FIU and intelligence from FIU and other sources.

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The impact of implementing the recommendation was that the Financial Intelligence Unit (FIU) Institute, through the system named NASMS, assisted Law Enforcement Agencies (LEA) and Regulators in reporting and exchanging information among actors.

The Financial Intelligence Unit (FIU) leased a statistics management system named NASMS to assist Law Enforcement Agencies (LEA) and Regulators in reporting and exchanging information among actors. Therefore, this recommendation was fully implemented.

Recommendation 3: Ensure that all implementing agencies develop mechanisms to implement laws, strategies and activities that include developing the AML coordination framework to combat money laundering

This recommendation required FIU to ensure that all implementing agencies develop mechanisms to implement laws, strategies and activities, including developing the AML coordination framework to combat money laundering.

According to the Anti-Money Laundering Act (AMLA) Cap 423 R.E 2022, the national multi-disciplinary committee on Ant-Money laundering is a coordinating organ for Anti-Money Laundering, Counter Terrorist Financing and Counter-Proliferation Financing (AML/CFT/CPF) issues in the country. The national committee oversees, coordinates and monitors Anti-Money Laundering, Counter Terrorist Financing and Counter-Proliferation Financing (AML/CFT/CPF) implementations in line with the national Anti-Money Laundering, Counter Terrorist Financing and Counter-Proliferation Financing AML/CFT/CPF strategies.

The national Anti-Money Laundering, Counter Terrorist Financing and Counter-Proliferation Financing (AML/CFT/CPF) strategy 2022/2023 – 2026/27 was approved in 2022, and the national Counter-Terrorist Financing (CTF) strategy 2023/24 – 2027/28 was approved in 2023.

Therefore, this recommendation was fully implemented since the Financial Intelligence Unit (FIU), in collaboration with Law Enforcement Agencies (LEA) and Regulators, managed to develop Anti-Money Laundering, Counter Terrorist Financing and Counter-Proliferation Financing (AML/CFT/CPF) strategy as well as National Counter-Terrorist Financing (CTF) strategy.

Recommendation 4: Ensure that the *Financial Intelligence Unit (FIU) and sector regulators regularly issue and use anti-money laundering guidelines to ensure compliance with anti-money laundering requirements*

This recommendation required the FIU to ensure that the Financial Intelligence Unit (FIU) and sector regulators regularly issue and use anti-money laundering guidelines to ensure compliance with anti-money laundering requirements.

From March 2020 to 30 September 2023, FIU issued eight (8) guidelines in complying with anti-money laundering requirements as per Financial Action Task Force (FATF) standards as listed below:

(a) Money laundering, terrorist financing and proliferation financing risk assessment Guidelines for all sector issues in 2021;

(b) Targeted financial sanction Guidelines for all sectors issued in 2022;

(c) Anti-Money Laundering / Counter Financing of Terrorism (AML/CFT) imposition of administrative sanctions guidelines for all sectors issued in 2021;

(d) Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) risk-based inspection procedures manual for all sectors issued in 2021;

(e) Anti-Money Laundering/Counter Financing of Terrorism/ Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT/CPF guidelines for non–profit organizations (NPOs) issued in 2022;

(f) The terrorist financing risk assessment Guidelines for non-profit organizations (NPOs) were issued in July 2023;

(g) Anti-Money Laundering /Counter Financing of Terrorism AML/CFT compliance Guide on Obligations of Designated non-financial businesses and profession (DNFBPs) issued in January 2023; and

(h) Anti-Money Laundering /Counter Financing of Terrorism (AML/CFT) risk assessment report format Guide for all sectors issued in 2021. The Anti-Money Laundering, Counter Terrorist Financing and Counter-Proliferation Financing (AML/CFT/CPF) strategy 2022/23 to 2026/27 has been under operation since July 2022.

Therefore, this recommendation was fully implemented since the Financial Intelligence Unit (FIU) developed a Strategy and Policy to regulate combat ML/TF/PF in the country.

The noted impact of the implementation of this audit was that the Financial Intelligence Unit (FIU) managed to develop guidelines to facilitate the conduct of inspection by FIU as well as regulators during the implementation of activities related to combat Money Laundering Terrorist Financing and Proliferation Financing.

(ii) Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from FIU indicated that three (3) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Effectively enforce the AML mechanism to ensure all identified reporting persons produce and submit Suspicious Transaction reports from the sector on time and in an intelligible manner for timely analysis to add value to the received intelligence reports

This recommendation required FIU to effectively enforce the AML mechanism to ensure all identified reporting persons produce and submit Suspicious Transaction reports from the sector on time and intelligibly for timely analysis to add value to the received intelligence reports.

Financial Intelligence Unit (FIU) continued to receive Suspicious Transactions Reports (STR) from finance institutions only while receiving none from designated non-financial business and professional (DNFBPs) lawyer's notaries, accountants and auditors, dealers in precious metals and stones, and real estate agents despite a number of outreach and awareness programmes conducted in the financial year 2020/21 to 30 September 2023. A total of thirty-four (34) awareness programs were conducted, of which 3643 participants in various sectors were reached out.

The awareness campaigns aimed at building their understanding of the Anti-Money Laundering, Counter Terrorist Financing and Counter-Proliferation Financing (AML/CFT/CFP) legal framework, their obligations, and the laws, including submission. Moreover, due to the campaigns conducted, the campaigns conducted, the number of reporting persons registered in the

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Anti-Money Laundering System (goAML) increased to 300 in September 2023 compared to 144 in September 2022.

The noted impact of the implementation of this audit is that Reporting Persons registered in the Anti-Money Laundering System (goAML) were able to report transactions. However, it was noted that the Designated Non-Financial Businesses and Professions (DNFBPs) did not report Suspicious Transactions.

The Financial Intelligence Unit (FIU) trained reporting persons such as financial institutions and designated non-financial businesses and professionals (DNFBPs) on reporting suspicious transactions. However, the audit team found that financial institutions that the Bank of Tanzania regulated managed to report suspicious transactions, but Designated Non-Financial Businesses and Professions (DNFBPs) did not report suspicious transactions. Therefore, this recommendation was partially implemented since the Financial Intelligence Unit (FIU) implemented only part of the recommendation.

Recommendation 2: Harmonize inspections conducted with those carried out by regulatory bodies to ensure smooth inspections, avoid duplication of efforts and enhance the ability to take corrective actions on compliance shortfalls promptly

This recommendation required FIU to harmonize inspections conducted with those carried out by regulatory bodies to ensure smooth inspections, avoid duplication of efforts, and enhance the ability to promptly take corrective actions on compliance shortfalls. As of 30 September, 2023, Capital Markets and Securities Authority (CMSA), Bank of Tanzania (BOT), Gaming Board of Tanzania and Tanzania Insurance Regulatory Authority (TIRA) had their sector risk assessment and supervision manuals in place.

Experts from the United Kingdom (UK) reviewed the sector risk assessment, specifically by His Majesty's Technical Assistant Unit for quality assurance. The National Board of Accountants and Auditors (NBAA), Tanganyika Law Society, and the Commissioner of Mining were in the process of conducting their sector-specific risk assessments. At the same time, the FIU, as the default regulator of the Financial Action Task Force (FATF), recognized that the sector with no supervisory body had not conducted a real estate risk

assessment. The assessment was expected to be completed by the end of October 2023. According to the plan agreed upon by regulators, once the sector risk assessment was completed, the regulators would conduct on-site inspections for noncompliance.

The noted impact of the implementation of this audit was that Reporting Persons registered in the Anti-Money Laundering System (goAML) could report transactions. However, Designated Non-Financial Businesses and Professions (DNFBPs) did not report Suspicious Transactions. Therefore, this recommendation was partially implemented since the Financial Intelligence Unit (FIU) implemented only part of the recommendation.

Recommendation 3: Enhance training and public awareness to reporting persons and stakeholders such as law enforcement agencies and sector regulators to enhance voluntary compliance with money laundering reporting requirements

This recommendation required FIU to enhance training and public awareness of reporting persons and stakeholders, such as law enforcement agencies and sector regulators, to enhance voluntary compliance with money laundering reporting requirements. From the financial year 2020/2021 to 30 September 2023, FIU has conducted thirty-nine (39) workshops and awareness seminars to report persons, LEAs and regulators.

Training was conducted to enhance voluntary compliance and the capacity of reporting persons and stakeholders (LEAs and Regulators). Hence combating money laundering and terrorist financing for all. The audit team found that training was conducted on Law Enforcement Agencies (LEAs), Regulators and Designated Non-Financial Businesses and Professions (DNFBPs). However, non-compliance to money laundering reporting data from Designated Non-Financial Businesses and Professions (DNFBPs) was still observed.

The noted impact of the implementation of this audit was that law enforcement (LEAs), regulators, and designated non-financial businesses and Professionals (DNFBPs) are increasingly becoming aware of their responsibility to report suspicious transactions.

Therefore, this recommendation was partially implemented, as the goal outlined in the action plan with the Financial Intelligence Unit (FIU) was to increase and enhance training and public awareness for reporting persons and stakeholders, including law enforcement agencies and sector regulators, to improve voluntary compliance with money laundering reporting requirements. However, the reporting of suspicious transactions from Designated Non-Financial Businesses and Professions (DNFBPs) still remained significantly low. In this regard, more interventions were needed to ensure the proposed action was fully implemented.

9.6   Specific Conclusion

9.6.1 Specific Conclusion to Ministry of Finance

Based on the analysis of the implementation status for the previously issued recommendations, the audit concluded that the Ministry of Finance made noticeable efforts to initiate implementation of the issued recommendation. The resources allocated by the Ministry of Finance to FIU increased annually, hence helping FIU implement its planned activities.

9.6.2 Specific Conclusion to National Multi-disciplinary Committee on Anti-Money Laundering (NAMLC)

Based on the analysis of the discussions held with the National Multi-disciplinary Committee on Anti-Money Laundering members, it was noted that there is a plan and strategies to ensure that the issued performance audit recommendations are implemented at a specific time frame. Moreover, the issued recommendations have resulted in various positive impacts, including a MoU signed between FIU and other Authorities on sharing Information. FIU developed a Strategy and Policy to regulate combat ML/TF/PF in the country.

Also, the AML/CFT compliance Guide on Obligations of Designated non-financial businesses and professions (DNFBPs) was developed in January 2023, developed Strategy and Policy to regulate combat ML/TF/PF in the country and managed to develop guidelines to assist AML/CFT/CPF. Adherence to a reporting mechanism, guidelines, agreements, and defined procedures for reporting AML information is partially implemented as

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Reporting was highly complied with by Financial Institutions, but DNFBPs did not comply.

9.6.3 Specific Conclusion to Financial Intelligence Unit (FIU)

Based on the analysis of the discussions held with Financial Intelligence Unit (FIU) officials, it was noted that there are plans and strategies to ensure that the issued performance audit recommendations are implemented within a specific time frame.

Moreover, the issued recommendations have resulted in various positive impacts, including the creation of a statistics Management System (NASMS), which helped law enforcement agencies to exchange information, the creation of AML/CFT/CT strategy, the creation of CTF strategy, enabling persons registered in goAML system to report suspicious transactions and increasing awareness of lawful responsibility to report suspicious transactions to LEAs, regulators and DNFBPs.

9.7   Specific Recommendations

9.7.1 Specific Recommendations to the Audited Entities

The Ministry of Finance is urged to:

1. Ensure that all recommendations that were marked as partially implemented are fully implemented.

The National Multi-Disciplinary Committee on Anti-Money Laundering (NAMLC) is urged to:

1. Ensure that all recommendations that were marked as partially implemented are fully implemented.

The Financial Intelligence Unit (FIU) is urged to:

1. Ensure that all recommendations that were marked as partially implemented are fully implemented.

CHAPTER TEN

FOLLOW-UP AND IMPACT ASSESSMENT ON THE IMPLEMENTATION OF PERFORMANCE AUDIT RECOMMENDATIONS ON PREVENTION AND CONTROL OF LIVESTOCK DISEASES

10.1   Background to the Audit

Performance Audit Report on the Prevention and Control of Livestock Diseases was tabled before the Parliament of the United Republic of Tanzania in March 2020. The overall objective of the audit was to assess whether the Ministry of Livestock and Fisheries and President's Office – Regional Administration and Local Government have effectively prevented and controlled livestock diseases to enhance livestock production, productivity and safe utilization of animal products.

10.2   Audit Scope

The main audited entities were the Ministry of Livestock and Fisheries and the President's Office – Regional Administration and Local Government. These two ministries are responsible for instituting preventive measures and controlling livestock diseases in the country. The focus of the audit was on the measures taken by the government to prevent and control livestock diseases in the country. This included Assessment of the surveillance system, Accessibility to animal health services and inputs, Preventive measures and monitoring and evaluation mechanisms taken to control livestock diseases. The audit covered five (5) financial years from July 2013/14 to June 2018/19. This period was selected to get insights into the government's performance in preventing and controlling livestock diseases. The period was also selected because there have been increased occurrences of livestock diseases such as CCPP, CBPP and FMD in 2016, 2017 and 2018.

10.3   Main Audit Findings

(a)   *Increased Occurrence of Livestock Diseases*

The audit noted that from 2016 to 2018, livestock diseases in Tanzania exhibited varied trends. Contagious Bovine Pleuropneumonia (CBPP) and

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Foot and Mouth Diseases (FMD) slightly decreased. At the same time, African Swine Fever (ASF), Contagious Caprine Pleuropneumonia (CCPP), and Lumpy Skin Disease (LSD) saw increases of 43%, 804%, and 327%, respectively.

The consequences of rising livestock diseases were significant. High prevalence led to low livestock production and productivity. Maternal transmission increased disease presence in offspring, causing up to 50% mortality in young animals, as reported in the Foot and Mouth Diseases review. The Livestock Modernization Initiatives Report (2015) highlighted disease-related constraints on the sector, resulting in low livestock production. The 2017 government circular revealed a 40% calf mortality rate due to tick-borne diseases.

Increased diseases hampered productivity by yielding low-quality meat, decreased milk production, and inferior hides and skins. The economic burden included elevated veterinary service costs and government expenditures on disease control.

The audit identified significant shortcomings in supporting Local Government Authorities (LGAs) in livestock disease surveillance and control in Tanzania. Annual reports from the Ministry of Livestock and Fisheries (MoLF) indicated that the primary support to LGAs was the provision of subsidized or free acaricides, which only addressed Tick-Borne Diseases (TBDs).

The limited support extended to training on disease reporting, which was deemed inadequate due to critical gaps in the availability and delivery of vaccines for major diseases. Additionally, the rehabilitation of damaged and non-operational dips, crucial for disease control, saw delayed funding, with only 41 dips being addressed in 2019/20.

Moreover, the audit highlighted instances where livestock officers had to purchase necessary working and protective gear independently, leading to delays in responding to disease outbreaks, especially in cases where livestock keepers could not afford these materials. The overall scenario indicates systemic deficiencies in the support structure for LGAs, impeding effective livestock disease surveillance and control efforts in Tanzania.

(b) *The Malfunctioning Existing Preventive Measures for Livestock Diseases*

The audit noted that the existing measures for preventing and controlling livestock diseases were not functioning as expected. An audit of Tanzania's livestock disease prevention and control efforts uncovered several critical challenges spanning vaccination programs, disease surveillance, dipping strategy implementation, and control of livestock movements.

The vaccination coverage is still below 10%, falling well below the recommended 80% by the World Organization for Animal Health, and was hindered by disorganized programs, under-reporting, and inadequate budget allocation. Weak support from local government authorities, insufficient material resources, and damaged dipping infrastructures further impeded disease control.

a) Failure to Access and Provide Quality and Timely Veterinary Services and Inputs to Livestock Keepers

The audit noted that it was difficult to access quality veterinary services and inputs by livestock keepers in some LGAs, which was evidenced by different factors such as a lack of animal health services centres at LGAs, insufficient number of veterinary professionals and paraprofessionals and meagre disbursement for animal health services.

In addition, it was found that 80% of the five (5) visited LGAs have no Animal Health Centers or Clinics. Also, it was evidenced that there is only one teaching animal hospital/clinic situated at the Sokoine University of Agriculture, and veterinary clinics at the regional and district levels and veterinary centres in rural areas were abandoned following the adoption of economic structural adjustment policies. Moreover, due to a lack of mechanisms for regulating the performance of the private sector-run animal health centres, the audit noted that animal health centres and clinics under the private sector have turned themselves into livestock inputs suppliers instead of providing clinical services to the livestock.

It was further noted that there was an insufficient number of veterinary professionals and an unequal allocation of veterinary professionals and paraprofessionals, whereby it was spotted that 70 out of 185 LGAs do not

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have veterinary doctors. Ward livestock officers are below 30% for the entire country, which has led the livestock keepers to treat animals by themselves. This practice greatly contributes to the spread of microbial resistance.

The findings also revealed that LGAs were instructed by PO-RALG to allocate 15% of their revenue for the development of the livestock sector, but none of the visited LGAs did so. Whereby no budgeting for animal health slowed the implementation of the activities regarding the prevention and control of livestock diseases in the LGAs, it has also been attributed to non-prioritization of livestock health matters.

b) Lack of Robust Surveillance System to Detect and Confirm Livestock Diseases

The audit revealed a lack of robust surveillance and reporting systems. It was revealed that the existing surveillance and reporting system is not web-based. It was largely paper-based (95%), which takes a long time to prepare and dispatch to the next administration instead of being electronically (web-based). Moreover, the audit noted that the institutionalization and formalization of the operations within the surveillance system were not fully interlinked.

Delay in the Identification and Reporting of Diseases: it was noted that reporting of diseases usually takes more than 48 hours compared to the required 24 hours standard time, and this was accelerated by poor communication between the livestock keepers and the livestock Field officers, lack of motivation and working tools such as laptops, desktop and internet facilities at the grass root level.

Inadequate laboratory confirmation system: it was noted that the Tanzania Veterinary Laboratory Agency has eleven (11) diagnostic centres in the country divided into zones. Out of eleven (11) centres, only eight (8) were linked to Zonal Veterinary Centers, while three (3) stations, namely Kigoma, Tanga, and Sumbawanga, were not. Furthermore, it was observed that veterinary officers lacked working gear and equipment such as sample collection, sample storage, and surgical and medical kits, which are important in collecting samples and accelerating the diagnosis of livestock diseases to prevent and control livestock diseases. Moreover, it was noted

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that sufficient funds were not set aside to cover the investigation into reported cases of outbreaks of livestock diseases at TVLA.

c) Poor Coordination between MoLF, PO-RALG and Local Government Authorities

The audit team noted poor information sharing between MoLF, PO-RALG and other stakeholders, whereby the flow of information on livestock diseases from LGA to the Regional Veterinary Officer has been poor due to unclear reporting chain. For instance, the Local Government Veterinary Officers were supposed to submit reports on livestock diseases to ZVC and RVO, but most of them were submitted to ZVC, and none of the reports were submitted to RVO. It has been revealed that not submitting livestock disease reports to RVO undermines the requirement of OIE standards in reference to the veterinary governance structure and the requirement for professional answerability.

This has been contributed by unclear reporting chains of command where District Veterinary Officers were instructed to share the reports with ZVC, causing ineffective sanctions to LGAs who are not submitting reports to RVO.

Also, the audit team noted the uncoordinated implementation of the collective plans between MoLF, PO-RALG and LGAs. Although PO-RALG and LGAs have been involved by the Ministry of Livestock and Fisheries in the preparation and implementation of plans for the prevention and control of livestock diseases, they have not fully participated. For instance, during the training of EMA-i, the DVO and RVO were involved, but officials from PO-RALG and MoLF were neither informed nor involved. However, no reports on vaccination have been issued to PO-RALG for future planning.

d) Inefficient Monitoring and Evaluation of Control of Livestock Diseases

The audit revealed that there was no monitoring execution for the financial years 2016 and 2017 since no disbursement of funds was done in these financial years. Also, there was inefficient monitoring of activities to prevent and control livestock diseases in 2018 since the Ministry of Livestock and Fisheries plans did not cover monitoring of important aspects of preventing and controlling livestock diseases. This included provisions for

vaccines and health services for livestock keepers at lower levels, mainly LGA, ward, and village levels.

This has been caused by having key performance indicators that were not comprehensive, and they were expecting to modify them from time to time. Similarly, the monitoring aspect for 2016-2019 performance did not cover the activities under the Directorate of Veterinary Services, despite their target of monitoring and evaluating the performance of Executive Agencies and Institutions under the Ministry. Department of Policy and Planning did not receive funds for M&E activities, while for the year 2018, only 51% of the budget was disbursed.

Furthermore, the audit noted that regional veterinary officers did not monitor the implementation of activities to prevent and control livestock diseases. They focused on livestock productivity, while livestock diseases caused an accelerated decline in livestock productivity. The audit team also noted that there was no communication of the results of M &E with relevant stakeholders such as TVLA and DVS for informed decision-making. This anomaly impaired their ability to make further improvements in their operations.

10.4   Overall Audit Conclusion

Based on the audit findings, it was concluded that the Ministry of Livestock and Fisheries and PO-RALG did not effectively prevent and control livestock diseases to enhance livestock production, productivity and safe utilization of animal products. This was evidenced by the increased occurrence of livestock diseases, as seen in CCPP, which increased by 804% and LSD by 327%. For the other sampled diseases, such as CBPP and FMD, the rate of livestock diseases has been decreasing at a very low pace for the past three years. This was caused by inadequate mechanisms for the prevention and control of livestock diseases and little support extended to LGAs by MoLF and PO-RALG on the prevention and control of livestock diseases.

Controller and Auditor General

10.5 Results of the Follow-up on the Implementation of Recommendations

This part presents the implementation status of issued recommendations to the Ministry of Livestock and Fisheries (MoLF) and the President's Office – Regional Administration and Local Government (PO-RALG) on the Performance Audit on the Performance Audit Report on the Prevention and Control of Livestock Diseases.

The implementation of the issued recommendations was measured using four levels in the classification of recommendations, namely, *fully implemented recommendations, partially implemented recommendations, not implemented recommendations,* and *overtaken by event recommendations.* The following subsections explain the details of the implementation status of the issued audit recommendations.

10.5.1 Overall Implementation of Issued Recommendations

A total of twelve (14) recommendations were issued in this performance audit. Seven (7) recommendations were directed to the MoLF, and seven (7) recommendations were directed to PO-RALG. The overall follow-up results on implementing the issued audit recommendations indicated that out of fourteen (14) issued recommendations, twelve (12) recommendations were partially implemented, and two (2) were not implemented. **Table 10.1** details the implementation level for the two audited entities.

Table 10. 1: Level of Implementation of Recommendations by Audited Entities

Audited Entity	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
MoLF	7	0	7	0	0
PO-RALG	7	0	5	2	0
Total	14	0	12	2	0

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 10.1 shows that out of seven (7) issued recommendations to MoLF, all the recommendations were partially implemented. Similarly, it is indicated that out of seven (7) recommendations issued to PO-RALG, five

(5) recommendations were partially implemented, and two (2) recommendations were not implemented.

Further analysis of the issued recommendations for each recommendation category was made based on the four implementation levels: fully, partially, not implemented, and overtaken by event. **Table 10.2** provides the level of implementation for all issued recommendations based on these categories.

Table 10. 2: Level of Implementation of Recommendations by Audited Entities

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	1	0	0	1	0
Implementation/ Execution	8	0	8	0	0
Coordination	2	0	2	0	0
Development	3	0	2	1	0
Total	14	0	12	2	0

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 10.2 shows that neither of the Audited Entities fully implemented any recommendations. Out of the fourteen (14) issued recommendations, the Audited Entities partially implemented twelve (12) recommendations, and two (2) issued recommendations were not implemented.

10.5.2 Results of Follow-Up of Implementation of Issued Recommendations to the Ministry of Livestock and Fisheries

This section details the implementation status of the issued recommendations to the Ministry of Livestock and Fisheries (MoLF). A total of seven (7) recommendations were issued to MoLF. All seven (7) recommendations were partially implemented. **Table 10.3** summarises the implementation status of the recommendations issued to MoLF by categories of recommendations.

Controller and Auditor General

Table 10. 3: Level of Implementation of Recommendations by Category of Recommendations (MoLF)

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Implementation	4	0	4	0	0
Coordination	1	0	1	0	0
Development	2	0	2	0	0
Total	**7**	**0**	**7**	**0**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 10.3 shows that out of the seven (7) recommendations, four (4) fell under the implementation category, two (2) fell under development, and one (1) recommendation was under coordination and was partially implemented.

Below are the details of the implementation status of the issued recommendations based on the level of implementation, namely, fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of seven (7) recommendations issued to MoLF indicates that their implementation status fell under one (1) out of four (4) levels of implementation, which is partially implemented, as detailed below.

(i) Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from MoLF indicated that seven (7) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Establish mechanisms for the quality control of imported vaccines to prevent the introduction of new strains of viruses and diseases that will be difficult to control

The recommendation required the MoLF to establish the mechanisms for the quality control of imported vaccines to prevent the introduction of new strains of viruses and diseases that will be difficult to control. MoLF, through the submitted action plan, planned to strengthen the Tanzania Vaccine Institute (TVI) to produce all vaccines in the country. Additionally, to

promote an investment environment for Private Investors to produce regulated vaccines within our country.

The Ministry ensured that only safe and quality veterinary inputs, including vaccines for 13 priority diseases, were registered to be sold in Tanzania. All these were supposed to be completed from 2020/2021 to 2021/2022.

The capacity of the Tanzania Vaccine Institute (TVI) to produce enough Vaccines to meet internal demand has increased. Currently, the TVI production of vaccines covers 30-40% of the annual National Vaccine demand. From 2019/2020 to September 30th, 2023, of the 13 priority diseases, vaccines against rabies and PPR TVI were at the final stages of experiments for their production by TVI. The commercial production of the two vaccines is expected to start by 2025. TVI I also plan to start viral isolation, characterization and development of vaccine master seed for lumpy skin disease (LSD).

Through the support of the Commission for Science and Technology (COSTECH), they procured 15 pieces of equipment, which amounted to TZS 228,772,321.09, in 2020/21. Also, they procured 21 equipment through the COSTECH project, which amounted to TSH 225,843,579.04 in 2018/19.

Furthermore, there were an additional six (6) staff as detailed in **Table 10.4**

Table 10. 4: Reallocation of Staff to TVI from Year 2020 TO 2023

Placement	Designation
TVI-Kibaha	Lab technician
TVI-Kibaha	Laboratory technician I
TVI-Kibaha	Veterinary Research Officer II
TVI-Kibaha	Personal secretary II
TVI-Kibaha	Accounts Officer II
TVI-Kibaha	Laboratory technician II
TVI-Kibaha	Laboratory technician II
TVI-Kibaha	Laboratory technician II

Source: Human Resources Reports from TVI

The recommendation was partially implemented since, out of the 13 diseases, TVI could produce only seven (7) vaccines. For the remaining four (4) vaccines, TVI had no plan of producing the vaccine for Rift Valley Fever since the disease rarely occurs, and it may take up to 20 years for one outbreak to occur. East Coast Fever Vaccine was very low because it was

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the most expensive animal vaccine, currently selling at TZS 17,000/= per dose.

Subsidized acaricides provided by the government commonly control the disease. Therefore, TVI had no plan to produce it in the near future; Foot and Mouth Disease (FMD) is a priority transboundary animal disease and a trade-sensitive disease. TVI had no plan to start its production due to several international restrictions and requirements that had been invested in manufacturing the vaccines, which totaled TZS 40 billion. Lastly, African Swine Fever (ASF) had no vaccine worldwide; its control normally relies on biosecurity measures.

Two vaccines, rabies and PPR, were at the final stages of experiments for their production by TVI. The commercial production of the two vaccines was expected to start by 2025. TVI also planned to start viral isolation, characterization and development of a vaccine master seed for lumpy skin disease (LSD).

The Audit noted that there was no promotion of the investment environment for the private investors to produce regulated vaccines within the country and that they did not manage to establish a bulk procurement system for the vaccines.

Further, the Audit noted the government's efforts in strengthening TVI by increasing human resources by six (6) Technical personnel and two (2) supporting staff, increasing equipment by thirty-six (36) tools and increasing funds for infrastructure development by TZS 6 billion.

The Impact noted was the increase in production from four (4) vaccines in 2019/20 to seven (7) vaccines in 2023/24, with 30% to 40% coverage of the vaccine demand.

Recommendation 2: Review surveillance strategy and ensure an effective laboratory confirmation system for livestock keepers and early identification and reporting of cases

The recommendation required MoLF to review the surveillance strategy and improve the laboratory confirmation (interoperability between EMA-i and Laboratory Information Management System-LIMS).

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MoLF had set an action plan to formulate regulations to govern the Legal Epidemiological Structure; Utilize e-Gov to incorporate Event Mobile Application Information (EMAi) to enhance early identification, confirmation and reporting; Establish an independent Epidemiological unit within the Ministry Structure; scale up LGAs in using EMA-I from current eighty-one (81) LGAs to all one hundred eighty-four (184) LGAs in the country and improve laboratory Confirmation (Interoperability between EMA-I and Laboratory Information System (SILAB by 2020 to 2022.

The MoLF reviewed the Surveillance Strategy in 2019, and improvements were made to monitor disease trends, facilitate the control of infection or infestation, provide data for use in risk analysis, for animal or public health purposes, to substantiate the rationale for sanitary measures and for providing assurances to trading partners. The strategy remains operational up to 2024. The ministry instrument provided a section on transboundary animal diseases and epidemiology from the updated organizational structure that was launched. Transboundary Animal Diseases and Epidemiology Section were established under the Directorate of Veterinary Services and is headed by the Assistant Director.

A digital platform in the coordination unit at the Prime Minister's Office was developed to incorporate EMA-i in early warning where 115 out of 185 LGAs were covered, and only four laboratories, namely Iringa, Arusha, Mwanza, and Dar es Salaam have been linked.

The recommendation was partially implemented because not all LGAs were covered in EMAI, where 70 LGAs were not covered, and they could not report on the emergence of diseases. Additionally, out of thirteen (13) laboratories, only four (4) were linked to the system up to 2023.

The non-financial impact was noted through an increase in the efficiency of reporting and identification of illnesses. Also, EMA-I and SILAB's interoperability helped streamline the process from identification to confirmation in the laboratory, increasing the effectiveness in identifying and mitigating diseases discovered.

Recommendation 3: Strengthen the capacity of TVLA to produce vaccines to reduce the importation of vaccines which may be incompatible with Tanzania's environment

The recommendation required MoLF to strengthen the capacity of TVLA to produce vaccines to reduce the importation of vaccines, which may be incompatible with Tanzania's environment. The action plan submitted indicated that MoLF intended to establish livestock financing to have an adequate line on midterm expenditure framework (MTEF) or vaccine procurement at Tanzania Vaccine Institute (TVI) under TVLA by 2021/22-2021/22.

Through a review of TVLA's MTEF, the audit noted the introduction of a code for vaccine production number C01D01 from 2019/20. They started budgeting for vaccine production, as detailed in **Table 10.5**.

Table 10. 5: Fund for Vaccine Production

Activity Code	Activity Description	Financial Year	Budget Amount (TZS)
C01D01	To produce 111,000,000 doses of veterinary vaccines (TEMEVAC 1-2 100,000,000; CBPP 5,000,000 Anthrax 3,000,000; Blackquater 3,000,000) by June 2020	2019/20	319,200,000
	To produce 111,000,000 doses of veterinary vaccines (TEMEVAC 1-2 100,000,000; CBPP 5,000,000 Anthrax 3,000,000; Blackquater 3,000,000) by June 2020	2020/21	319,200,000
	To develop and produce two (2) new vaccines (Rabies and PPR) by June 2022	2021/22	300,000,000
	Production of seven vaccines increased from 30%-70% by June 2026	2022/23	680,000,000

Source: *TVLA's MTEF (2019/20 – 2022/23), 2023*

Also, a review of the TVLA Midterm Expenditure Framework for the financial year 2021/2022 revealed that TVLA budgeted amount of TZS 2,565,000,000 for the construction of a new building at TVI Kibaha that will be used for the production of vaccines. The Audit evidenced final building plans and architectural drawings for the new building to be used for viral vaccine production, and the drawings have been submitted to TMDA for issuance of building permits. In addition, as of December 2023, no advance payment

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has been issued for the construction of the building. Moreover, through the review of MTEF 2019/2020, TVLA budgeted for infrastructure improvement by June 2022 by constructing one (1) and equipping three (3) vaccine production laboratories.

As a result of the investment, there was a notable increase in vaccine production from four (4) to seven (7) types of vaccines.

The recommendation has been partially implemented since the construction of the new building at TVI Kibaha has yet to start due to the non-allocation of construction funds from MoLF. The building will be used to produce viral vaccines.

The Implementation of this recommendation has a financial and non-financial impact.

Financial Impact

The financial impact noted was the increase in vaccine production from four (4) types of vaccine in the year 2019/20 to seven (7) types of vaccine in the year 2022/23. As a result, there was a notable increase in income at TVI

Non-Financial Impact

Also, a non-financial impact was realized as there was a notable increase in the types of vaccines being produced.

Recommendation 4: Strengthen inspection of livestock and livestock products at the Point of Entry (both official and unofficial)

This recommendation required MoLF to strengthen the inspection of livestock and livestock products at entry points. The action plans developed by MoLF to respond to this recommendation was to sustain patrolling via the 'Nzagamba operations' strategy to reach un-official borders, and the Ministry proposes to employ at least four (4) staff(minimally) for each border post to have 24-hour inspection coverage and staff rotation in 2021, 2022 and 2023.

Also, through the Directorate of Veterinary Services, the Ministry stated that it was elucidated in the MLDF 2009 SOP for zoo-sanitary inspection and TRA requirements to enable them to meet entry border inspections and control the entry of animals.

MoLF developed eight (8) strategic checkpoints to maintain patrol of unofficial borders, and each post currently had two (2) staff members. Through the review of the implementation status, it was noted that MoLF planned to have at least four (4) zoo-sanitary inspectors at the border points and checkpoints. However, according to the current establishment, it was noted that there were two (2) zoo sanitary inspectors at each entry point and thus did not manage to meet their planned action.

Also, the previous Performance Audit report on the Prevention and Control of Livestock Diseases issued to MoLF identified that the Ministry did not manage to have a database of the unofficial point of entry for monitoring the import and export of livestock.

The Audit noted that there is no established impact of this recommendation as the result of being in progress, and employment, there was notable progress on the number of the personnel employed it was the same since 2019/20, as detailed in **Table 10.6**.

Table 10. 6: Analysis of the Recommendation

Item	Baseline Data	Current Status	Remark
identification of the Point of Entries	No identified Borders and checkpoint	Identified borders thirty-eight (38) checkpoints and six (6) borders	In progress
personnel and technical expertise	Two (2) zoo-sanitary inspectors	Two (2) zoo-sanitary inspectors	No progress
availability of infrastructures and Facilities to aid inspections	No infrastructure	No infrastructure	No progress

Source: *Auditors' Analysis of the Reports submitted from MoLF*

Recommendation 5: Improve coordination, flow of information and communication between Ministries, Regional Secretariats and LGAs by strengthening infrastructure for information sharing among them

The recommendations required the MoLF to improve coordination, the flow of information and communication between Ministries, Regional Secretariats and LGAs by strengthening infrastructure for information sharing among them.

The MoLF action plan indicated that they would create a joint task force with PO-RALG and resolve stumbling blocks; to review the Veterinary Act (319) and Animal Disease Act (156) to incorporate professional accountability and appoint RVOs and DVOs in LGAs to improve and strengthen communication between the two (2) ministries by 2020/21-2021/22.

The audit noted that the two (2) ministries did not form a joint task force to discuss and resolve stumbling working blocks jointly. The stakeholders' meeting was held in December 2022, and one review meeting with PO-RALG in December 2022. Also, the Ministry of Livestock and Fisheries appointed sixteen (16) RVOs out of twenty-six (26) Regions and one-hundred seventy (170) DVOs out of one hundred eighty-one (181) District Councils by June 2023. It facilitated coordination from the lower level to the ministry level. However, the MoLF did not form a joint task force or review the Veterinary Act (319) and Animal Disease Act (156) to incorporate accountability for professionals.

The recommendation was partially implemented because the MoLF did not enhance coordination with PO-RALG, as they did not conduct joint meetings. Also, there was no evidence of a signed memorandum of understanding or agreement on the frequency of the meetings to be held. MoLF appointed sixteen (16) RVOs and one hundred seventy (170) DVOs out of the twenty-six (26) regions and one hundred eighty-four (184) councils, respectively. The Veterinary Act and Animal Disease Act of 2003 have not been revised to incorporate professional accountability.

The recommendation improved the effectiveness of coordination between the MoLF and PO-RALG as there was a significant increase in animal

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identification and registration, with a total of 5,316,738 animals identified and registered.

Recommendation 6: Develop Key Performance Indicators for measuring the performance of the Directorate of Veterinary Services in the prevention and control of livestock diseases

The recommendation required MoLF to develop Key Performance Indicators to assess the Directorate of Veterinary Services' performance in preventing and controlling livestock diseases.

The action plan submitted by the MoLF indicated that they developed the following performance indicators: Disease prevalence in the country, Number of vaccination campaigns, Number of operational dips in the country, Number of Animals dipped per month, Number of Animals moved with Health permits per month, Number of approved slaughter/abattoirs establishments, Number of animals slaughtered in registered slaughter facilities, Number of veterinary centres and clinics, Number of Identified and registered animals, Number of veterinary surgeon, paraprofessionals and paraprofessional assistants directly working in animal health sector (Public and Private) and Number of Animal barriers and long main stock routes by 2020/21.

It was noted that MoLF, through DVS, prepared key performance indicators to assess the division's efficiency, and the Performance Contract for the Financial year 2022/23 was signed by the Permanent Secretary (Livestock) and DVS.

The recommendation was considered to be partially implemented since DPP was responsible for measuring the performance of DVS, and no submitted monitoring report was conducted to DVS with the developed key performance indicators. There was no developed impact with this recommendation.

Recommendation 7: Ensuring timely access to quality services and inputs to livestock keepers for disease control

The recommendation required MoLF to ensure timely access to quality services and inputs to livestock keepers for disease control.

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The action plan submitted by MoLF indicated that it was ready to reinforce the workforce of the Veterinary Council of Tanzania (VCT), which is the Ministry Regulatory Unit responsible for spearheading quality veterinary knowledge, quality veterinary services and veterinary inputs in the country through VCT to evaluate competence for veterinary graduates, registration of veterinary surgeons, paraprofessionals and paraprofessionals assistants before they are allowed to practice in the field and monitor their daily performance on provision of veterinary services, and ensure that livestock keepers get timely access to quality services for disease control.

Also, the MoLF planned to ensure the availability of quality vaccines by preparing the vaccine Bulk Procurement System (VBPS) and regulating prices. Moreover, the Ministry planned to sensitise the private sector to invest in the manufacturing of veterinary inputs in Tanzania and discourage the importation of the same inputs to ensure the timely availability of veterinary input in the years 2020, 2021 and 2022.

The Audit noted evaluation of competence was implemented by incorporating internships for all the veterinaries, as evidenced through a review of the Written Law (Miscellaneous Amendments (No.2) Act, 2016, it was noted that the Veterinary Act CAP 319 was amended through The Written Law (Miscellaneous Amendments (No. 2) Act, 2016 which has made internship mandatory to all veterinarians. To evaluate competence, the Veterinary Council of Tanzania has been conducting qualifying examinations for graduate veterinarians from outside Tanzania Universities.

Also, The VCT registers Veterinary surgeons, Paraprofessionals and paraprofessional Assistants before they are allowed to practice in the field. The VCT also monitored their daily performance in providing veterinary services by evaluating submitted weekly reports to the Directorate of Veterinary Services.

Furthermore, the Annual subscription fee is done through the "mifugo integrated management information system (mimis)", where a CPD certificate is a mandatory attachment.

The Audit noted that the MoLF planned and budgeted to establish veterinary clinics in all the Local Government Authorities.

The recommendation is partially implemented since the veterinary clinics intended to be constructed by all local government authorities were not constructed. Because the livestock keepers did not use those clinics, the allocated budget was reallocated to constructing dipping structures, which are more functioning.

Also, the bulk procurement process for imported types of vaccines that were not produced in the country was not implemented because the private sector imports, bulks, distributes, retails, and administers vaccines.

Therefore, the Ministry could not start a project to import and bulk vaccines for sale to the private sector, while the main importers of animal vaccines are private companies.

The audit evidenced that the impact was the improvement in the quality of service provided by the professionals and paraprofessionals due to close monitoring done by MoLF through VCT.

10.5.3 Results of Follow-Up of Implementation of Issued Recommendations to PO-RALG

This section provides details on the implementation status of the issued recommendations to the President's Office – Regional Administration and Local Government (PO-RALG). A total of seven (7) recommendations were issued to PO-RALG. Five (5) recommendations were partially implemented, and two (2) were not implemented. **Table 10.7** summarises the implementation status of the recommendations issued to PO-RALG by categories of recommendations.

Table 10. 7: Level of Implementation of Recommendations by Category of Recommendations (PO-RALG)

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	1	0	0	1	0
Implementation/Execution	4	0	4	0	0
Coordination	1	0	1	0	0
Development	1	0	0	1	0
Total	**7**	**0**	**5**	**2**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 10.7 revealed that out of the seven (7) recommendations that were directed to PO-RALG, one(1) fell under planning, another one (1) was under development, was not implemented, and four (4) fell under implementation and coordination, and were partially implemented.

Below are the details of the implementation status of the issued recommendations based on the four levels of implementation, namely, fully implemented, partially implemented, not implemented, and overtaken by event. The analysis of seven (7) recommendations issued to PO-RALG indicates that their implementation status fell under two (2) out of four (4) levels of implementation, which are partially implemented and not implemented, as detailed below.

(i)   Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from PO-RALG indicated that five (5) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Ensure LGAs strengthen their efforts for prevention and control of livestock diseases

This recommendation required PO-RALG to ensure that LGAs strengthen their efforts to prevent and control livestock diseases. The action plans developed by PO-RALG stated that they should collaborate with MoLF to provide training, rehabilitation of dips, and guidance to the ward livestock management committee starting from July 2021.

The audit noted a lack of information sharing between actors and stakeholders because PO-RALG held a joint meeting with MoLF only once to review the guidelines for the identification, registration, and follow-up of animals. However, there was no defined frequency of joint meetings with MoLF.

The review of the implementation status noted that PO-RALG budgeted and implemented TZS 2,303,441,000 for the construction of 100 dips.

Therefore, this recommendation was partially implemented since LGAs did not establish a platform for sharing information to strengthen their efforts to prevent and control livestock diseases. Also, there were no notable efforts to implement training for extension officers or provide a guide to the ward livestock management committee.

No impact has been established due to the partial implementation of this recommendation.

Recommendation 2: Ensure timely access to quality services and inputs to livestock keepers for disease control

The recommendation required PO-RALG to ensure timely access to quality services and inputs to livestock keepers for disease control.

The Po-RALG action plan indicated that it would collaborate with MoLF & RS to support the timely and proper use of acaricides by July 2021.

It was noted that PO-RALG collaborated with MoLF and RS to support the proper use of acaricides. As part of this collaboration, livestock extension officers in LGAs were directed to provide livestock extension services to livestock keepers and inform them about accessing acaricides through agro vet-dealers in their respective areas. It was noted that PO-RALG provided livestock extension officers in LGAs with 645 motorbikes to support them in providing livestock extension services to livestock keepers.

The recommendation was partially implemented as only 645 out of the planned 1200 motorbikes were provided to livestock extension officers. The motorbikes were allocated to officers to support them in providing livestock extension services to livestock keepers.

The impact that the audit evidenced was the increase in extension services to the community, which is still in progress.

Recommendation 3: Create awareness among livestock keepers on mechanisms for prevention and control of livestock diseases

The recommendation required PO-RALG to create awareness among livestock keepers on mechanisms for preventing and controlling livestock diseases.

Through the submitted action plan, PO-RALG indicated they would collaborate with MoLF and Regional Secretaries to conduct refresher training and workshops for livestock extension officers & veterinary officers and conduct awareness meetings with livestock keepers by July 2020.

PO-RALG livestock Extension officers in LGAs continued providing livestock extension services to livestock keepers. Also, the Tanzania Livestock Research Institute (TALIRI) trained 200 women in poultry keeping, disease prevention, and controls. Additionally, pastoralists were involved in the establishment of 100 demonstration plots of 520 acres covering 44 LGAs. To facilitate poultry keeping on these demonstration plots, 25 groups were identified, and the aim was to establish poultry keeping on these designated demo plots. Also, a field workshop was organized and engaged 18293 livestock keepers.

The recommendation was partially implemented as the analysis of the submitted response and documents by PO-RALG showed that 38% of the budgeted funds for sensitization were utilized. However, no evidence was available to confirm the implementation of awareness campaigns as indicated in the documents.

It was noted that the non-financial impact of the increased awareness of livestock keepers was evident in the rise of acaricides. The number of applications increased from 0.6 billion to 1.2 billion, a twofold increase. The increase showed that people were now more aware of the mechanism for prevention and control of diseases. As a result, there was an anticipated decrease in diseases and an increase in the quality of meat produced.

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Recommendation 4: Support control of the movement of livestock from one place to another to prevent the spread of livestock diseases.

This recommendation required PO-RALG to support control of the movement of livestock to prevent the spread of diseases.

PO - RALG developed action plans indicating that PO - RALG would coordinate and facilitate the budget for related activities on preventing and controlling livestock diseases by July 2020.

PO - RALG ensured that Livestock Extension officers in LGAs continued to provide livestock extension services to livestock keepers. This was achieved by utilizing the allocated funds to implement the District Livestock Development Plan. PO - RALG coordinated with LGAs to ensure the provision of livestock movement permits wherever livestock was supposed to move from one place. To this extent, PO-RALG budgeted and utilized TZS 55,236,000 to identify and register 5,316,738 livestock to reach 80% of the planned target by June 2023. However, the identification was not conducted as planned.

Also, no training report was provided to show the extent of the plan and actual implemented training and awareness provided to the livestock keepers.

The recommendation was partially implemented because PO-RALG did not prepare the training curriculum to make the process sustainable and easily monitored. Also, there was no established database for the identification and registration, as detailed in **Table 10.8.**

Table 10. 8: Analysis of the Recommendation

Details	Baseline Data	Current status	Remark
Identification of animals	0	5,316,738	On progress
Training and awareness created	No report on the awareness created	No report on the awareness created	No progress

Source: *Auditors' Analysis of the Reports submitted from PORALG*

The impact of this recommendation was not established as the result of partial implementation of the recommendation.

Recommendation 5: Improve coordination, flow of information and communication between Ministries, Regional Secretariats and LGAs by strengthening infrastructure for information sharing among them

This recommendation required PO-RALG to ensure improved coordination of the flow of information between ministries, RSs, and LGAs through the establishment of a common guide to clear reporting chains of command and common ground of responsibility.

The action plan established by PO - RALG stated that it should conduct regular sector meetings and develop communication strategies, joint meetings and supervision by April 2020.

The interview with the Director of Veterinary Services revealed that on Dates 19-21/12/2022, PO - RALG, in collaboration with the Ministry of Livestock and Fisheries, convened a meeting of livestock stakeholders. Furthermore, on 08/12/2022, a meeting was held to review the guidelines for livestock registration.

PO - RALG had only managed to conduct a joint meeting among stakeholders. One of the agenda items was to establish a system for livestock keeping among stakeholders. However, there was no evidence of intercommunication between ministries, RSs, and LGAs. Additionally, there was no evidence to support the existence of developed communication strategies.

This recommendation was partially implemented as there were still low coordination efforts between PO-RALG to ensure that the recommendation was addressed. Additionally, no MoU or agreement between ministries was signed to show that there would be continuous communication and objectives to be met.

There was no established impact on this recommendation as a result of its partial implementation.

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(ii) Details of Recommendations that were Not Implemented

The analysis of submitted evidence and information from PO-RALG indicated that two (2) recommendations were not implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Establish a mechanism that ensures that all LGAs prioritize the development of needed infrastructures and the availability of the required vaccination to prevent and control livestock diseases

The recommendation required PO-RALG to establish a mechanism to ensure that all LGAs prioritize the development of needed infrastructures and ensure the availability of the required vaccination to prevent and control livestock disease.

The action plan submitted by PO - RALG indicated that PO - RALG would guide RS and LGAs to set aside budgets for infrastructure development by April 2020.

The Audit noted that PO - RALG, through the development of the Livestock sector transformation plan 2022/23 to 2026/27, estimated a budget for Animal Health (TZS.142,010,400,000 and extension services with TZS 13,968,320,000. Also, PO - RALG developed guideline vaccination services (a specific section which requires every village leader to ensure that all livestock gets required vaccinations as per calendar)

The recommendation was not implemented because no guidelines for vaccination services were in line.

Recommendation 2: Facilitate Regional Secretariats to monitor and follow up on the performance of LGAs in preventing and controlling livestock diseases

The recommendation required PO-RALG to facilitate the Budget for the Regional Secretaries to follow up on the performance of LGAs in preventing and controlling livestock diseases. The review of the action plan in response to the recommendations from PO - RALG to implement this recommendation was through the facilitation of a budget for regional secretaries to make

follow-ups and monitor performance in the prevention and control of livestock diseases by June 2020/21.

PO - RALG did not facilitate the budget because the monitoring and follow-up of the performance of LGAs in the prevention and control of livestock disease was the responsibility of the MoLF, the sectoral ministry. Additionally, no monitoring report was available to show that the performance of the LGAs was monitored.

The recommendation was not implemented because PO-RALG did not set aside funds to conduct monitoring and follow-up in LGAs to prevent and control diseases.

10.6 Specific Conclusion

The Audit noted that MoLF partially implemented all seven (7) recommendations. From PO - RALG, five (5) recommendations were partially implemented, whereas two (2) recommendations were not implemented at all due to inadequate efforts in collaboration between MoLF and PO-RALG.

10.7 Specific Recommendations

Recommendation to the Ministry of Livestock and Fisheries (MoLF)

The Ministry of Livestock and Fisheries is urged to:

1. Ensure that all partially implemented recommendations are adequately implemented to ensure the country's prevention and control of livestock diseases.

Recommendation to the President's Office – Regional Administration and Local Government (PO-RALG)

The President's Office – Regional Administration and Local Government is urged to:

1. Ensure that all partially and not implemented recommendations are adequately implemented to ensure the country's prevention and control of livestock diseases.

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CHAPTER ELEVEN

FOLLOW-UP AND IMPACT ASSESSMENT ON THE IMPLEMENTATION OF PERFORMANCE AUDIT RECOMMENDATIONS ON EFFECTIVENESS TO COLLECT REVENUES FROM OWN SOURCES IN LOCAL GOVERNMENT AUTHORITIES IN TANZANIA

11.1 Background to the Audit

Performance Audit Report on the Effectiveness of the Collection Revenues from Own Sources in Local Government Authorities (LGAs) in Tanzania was tabled before the Parliament of the United Republic of Tanzania in April 2020. The overall objective of the audit was to assess whether the President's Office – Regional Administration and Local Government (PO-RALG) ensures that LGAs are effectively collecting revenues from their own sources to have sufficient funds for the provision of social services in their areas of jurisdiction.

11.2 Audit Scope

The main audited entity was the President's Office - Regional Administration and Local Government (PO-RALG). This entity is responsible for policymaking and providing guidelines for implementing policies relating to revenue collections in LGAs. It is also responsible for facilitating capacity buildings to LGAs and Regional Secretariats (RSs) and monitoring and evaluating the system for revenue collection in LGAs. The audit focused mainly on the effectiveness of revenue collection from own sources in LGAs throughout the country. The audit covered four (4) financial years, from 2015/16 to 2018/19.

Data were collected from the list of selected Local Government Authorities (LGAs), namely Iringa Municipal Council and Iringa District Council in the Iringa region, Dodoma City Council and Chemba District Councils in the Dodoma region, Mwanza City Council and Sengerema District Council in the Mwanza region, Kinondoni and Kigamboni Municipal Council in the Dar es Salaam region, Kasulu Town Council and Kigoma District Council in the Kigoma region and Mtwara Municipal Council and Masasi District Council in the Mtwara region.

11.3 Main Audit Findings

(a) *More than 70% of LGAs did not achieve their annual targets for revenue collections*

The audit noted that for the four (4) financial years from 2015/16 to 2018/19, almost 70% of Local Government Authorities did not achieve their targets for revenue collection. On average, more than 53% of Local Government Authorities recorded a 20% variation from the set targets. This situation is despite the emphasis given to Local Government Authorities by PO-RALG that variations in set targets and actual collection should not exceed 20% for each revenue source.

(b) *Inadequate Capacity of LGAs to effectively collect revenues from their own sources*

The audit noted that Local Government Authorities lacked the capacity to collect revenues effectively from their own sources. Revenue sections under the Department of Finance and Trade in Local Government Authorities had a shortage of staff ranging from 23% – 70% of the required staff. Similarly, the few available officials lacked adequate skills to project revenues and assess taxes for some revenue sources such as hotel levies, service levies, etc.

In addition, the officials did not have adequate knowledge and competence to enable them to operate revenue collection systems like the Local Government Revenue Collection Information System (LGRCIS) and tools like Point-of-Sale Machines (PoS).

As a result, revenue projections made were found to be inaccurate, and, in some cases, revenues were underestimated. The absence of regular training and delays in communicating changes and updates made in the local government revenue collection systems created a knowledge gap for users of revenue collection systems at Local Government Authorities.

(c) *Ineffective Management of Revenue Collectors by LGAs*

The audit noted that Local Government Authorities did not effectively manage revenue collectors in their respective areas. The procured revenue

collectors lacked the tools for the collection of revenues and the competence to operate revenue collection systems and devices. This led to an increased number of defaulters due to repeated mistakes related to double transactions by the revenue collectors.

Moreover, the audit noted that Local Government Authorities did not effectively evaluate the implementation of contracts for outsourced revenue-collecting agents as outlined in the Guidelines for Outsourced Revenue Collecting Agents of 2016. In addition, Local Government Authorities did not take adequate corrective actions to deal with the underperforming revenue collectors.

The audit noted that revenue collectors were not adhering to the terms of their contracts, including non-banking of the collected revenues, remitting less of the revenues collected, and operating the point-of-sale machines (PoS) offline. At the same time, Local Government Authorities did not take adequate corrective actions.

(d) *Inadequate Monitoring & Evaluation of Performance of Regional Secretariats and LGAs by PO-RALG*

The audit noted that PO-RALG did not adequately monitor the performance of Regional Secretariats and LGAs in collecting revenues from their own sources. The monitoring exercise carried out by PO-RALG did not address the existing challenges hindering the capacity of Local Government Authorities to collect revenues from their own sources effectively.

Moreover, PO-RALG's monitoring reports for the financial year 2015/16 to 2018/19 from the Local Government Finance Section and Regional Secretariats did not provide comprehensive and detailed information regarding the performance of revenue collections in Local Government Authorities. Instead, the monitoring reports contain a summary of achievements of the overall revenue collection targets without any supporting explanations. It also lacked information on the performance of revenues for each source and the challenges associated with under-performances noted to allow proper actions to be taken.

11.4 Overall Audit Conclusion

The President's Office - Regional Administration and Local Government (PO-RALG) did not ensure that LGAs were effectively collecting revenues from their own sources to have sufficient funds for social services in their areas and for provision in their jurisdictions. Similarly, PO-RALG has not managed to ensure LGAs achieve their revenue collection targets. As a result, (70%) of LGAs did not achieve their revenue collection targets from 2015/16 to 2018/19. This has decreased the contribution of own-source revenues in LGAs, from 28% in 2015/16 to 11% in 2018/19.

The ineffectiveness of revenue collections from own sources was associated with a lack of mechanism for accurate projection of revenue targets, absence of effective strategies and plans for widening the tax base, inadequate capacity of LGAs regarding staff with the required skills and ineffective revenue collection systems and tools. At the same time, PO-RALG and Regional Secretariats are not effectively supervising and monitoring the performance of LGAs to improve their performance in revenue collection. Likewise, LGAs manage revenue collectors ineffectively.

11.5 Results of the Follow-up on the Implementation of Recommendations

This part presents the implementation status of recommendations issued to the President's Office – Regional Administration and Local Government (PO-RALG) on the performance audit on the effectiveness of collecting revenue from owned sources in local government authorities in Tanzania.

The implementation of the issued recommendations was measured using four levels in the classification of recommendations, namely, *fully implemented recommendations, partially implemented recommendations, not implemented recommendations,* and *overtaken by event recommendations*. The following subsections provide an explanation of the details of the implementation status of the issued audit recommendations.

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11.5.1 Overall Implementation of Issued Recommendations

A total of ten (10) recommendations were issued in this performance audit; all recommendations were directed to PO-RALG. The overall follow-up results on implementing the issued audit recommendations indicated that out of ten recommendations, four (4) were fully implemented, five (5) were partially implemented, and one (1) was not implemented, as shown in **Table 11.1.**

Table 11.1: Level of Implementation of Recommendations by PO-RALG

Audited Entity	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
PO-RALG	10	4	5	1	0

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 11.1 shows that, out of ten (10) recommendations issued to PO-RALG, four (4) were fully implemented, five (5) were partially implemented, and one (1) was not implemented. Further analysis of the issued recommendations for each category was made based on the four (4) implementation levels: fully, partially, not implemented, and overtaken by event. **Table 11.2** provides the level of implementation for all issued recommendations based on these categories.

Table 11.2: Level of Implementation of Recommendations by Audited Entities

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	2	0	1	1	0
Implementation/ Execution	3	1	2	0	0
Monitoring and Evaluation	4	2	2	0	0
Development	1	1	0	0	0
Total	**10**	**4**	**5**	**1**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 11.2 shows that out of ten (10) recommendations issued to PO-RALG, two (2) recommendations were in the planning category, whereby one (1) was partially implemented and one (1) was not implemented. Three (3)

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recommendations were in the implementation category, whereby one (1) recommendation was fully implemented, and two (2) recommendations were partially implemented. Four (4) recommendations were in the monitoring and evaluation category, whereby two (2) recommendations were fully implemented, and the other two (2) recommendations were partially implemented. The one (1) recommendation in the development category was fully implemented.

Results of Follow-Up of Implementation of Issued Recommendations

This section details the implementation status of the issued recommendations to the President's Office – Regional Administration and Local Government (PO-RALG).

Below are the details of the implementation status of the issued recommendations based on the four (4) levels of implementation, namely, fully implemented, partially implemented, not implemented and overtaken by events.

(i).   Details of Recommendations that were Fully Implemented

The analysis of submitted evidence and information from PO-RALG indicated that four (4) recommendations were fully implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: PO-RALG should evaluate the effectiveness of the revenue collection systems and tools, such as Point of Sale used for revenue collection in LGAs, address all the anomalies to ensure that the systems and tools are effectively functioning and capture all the requirements of users for effective collection of revenue in LGAs

This recommendation required PO-RALG to evaluate the effectiveness of the revenue collection system and tools, e.g., Point of Sale Machines and ensure that it addresses all the anomalies to ensure that the systems and tools effectively function and capture all users' requirements.

To implement this recommendation, PO-RALG planned to install a new application on all PoS machines, which will resolve anomalies found and make major improvements to the revenue collection system to enhance the

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system to suit users' needs better and wants. Moreover, improvement and enhancement will ensure the system is fit for purpose, fit for use, more responsive, and much simpler. The improvements were to be implemented from mid-April 2020 to June 2020.

Reviewed PO-RALG's response indicated that the Ministry had introduced a new and improved revenue collection system known as TAUSI with improved controls and features to prevent leakage of Government revenues. On the other hand, the system has incorporated a new mobile application for PoS. The system has been installed and used by all 184 LGAs. It has been integrated with other systems, such as the Government Electronic Payment Gateway (GePG), TRA where Tax Identification Number (TIN) can be accessed, and Personal particulars, including National Identification Number, can be accessed from the system of the National Identification Authority (NIDA).

After discussion with the Finance Section and IT Department from PO-RALG and verification of the system made by the follow-up team, it was noted that the newly introduced system is very effective as it can capture the following information:
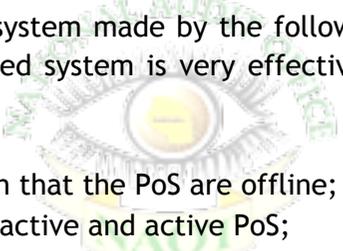
- The time duration that the PoS are offline;
- The number of inactive and active PoS;
- The system shows the National Identification Authority (NIDA) number and telephone number of the revenue collector; hence, it is easy to follow up and monitor the revenue collector;
- Amount of revenue not banked (cash on hand); and
- Updated amount of revenue collected from various sources.

Further, discussions with Officials from LGAs (Dodoma CC and Kinondoni MC) responsible for revenue collection confirmed that the newly improved system is well-functioning and has covered all key needs for managing revenue collection.

Therefore, this recommendation was fully implemented because PO-RALG managed to improve the revenue collection tools, mainly PoS, and installed TAUSI systems, which captured key user requirements as required by the recommendation.

Impact Realized

Following the full implementation of this recommendation, the monitoring of revenue collection has been simplified, whereby PO-RALG can monitor revenue collection in all regions and LGAs through the system. By using the system now, PO-RALG can get all necessary information on revenue collection, such as the status of PoS, cash on hand and cash banked from each LGA and reduce the risk of revenue loss.

The follow-up team noted both financial, social and materiality impacts that are linked to the improvement made after implementation of this recommendation as narrated below:

(i) Financial gain through increased revenue collection

Analysis of the revenue collection statistics extracted from the TAUSI system for two financial years, which are 2021/22 and 2022/23, revealed an increase in the attainment of revenue collection targets compared to 2019/20/2020/21 before the installation of TAUSI. The trend of the revenue collection from LGAs' own sources is shown in **Figure 11.1.**

Figure 11.1: Trend of Revenue from Own Sources in LGAs
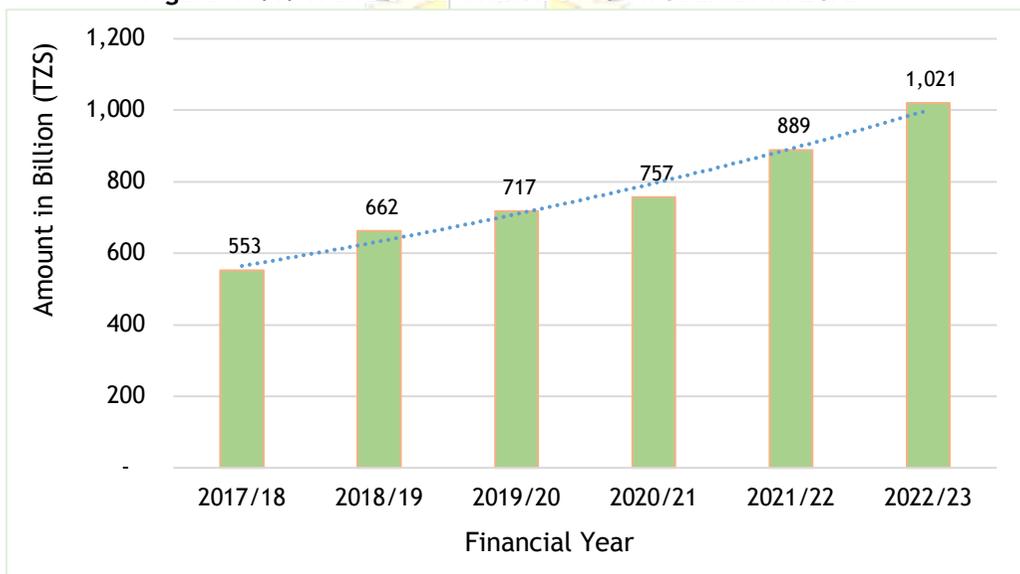
Source: *Auditors' Analysis of Revenue Data from PO-RALG (2023)*

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Figure 11.1 indicates increasing revenue from 2017/18 to 2022/23. Additionally, it illustrates an increase in revenue collections from own sources from TZS 553 billion in 2017/18 to TZS 1,021 billion in 2022/23 (equivalent to an 83% increase).

(ii) Decreased number of cases for non-banking revenues

The current practice of the system is to limit the operations of the agent through float, which is based on daily operations. The agent cannot continue to collect revenue before banking the amount collected based on the allocated float. Despite the non-provision of data on the unbanked fund in the previous years from PO-RALG based on the verified functionality of the system, there has been a noted improvement in these aspects.

Recommendation 2: PO-RALG was required to ensure that the revenue (LGRCIS) system was harmonized with other revenue collection systems, such as point-of-sale machines and banks. The system should also be able to reflect the revenue collected and produce the required report necessary for decision-making

PO-RALG was required to ensure that the system for collecting revenue was harmonized with other revenue collection systems, such as point-of-sale machines and banks. The system was also required to produce the required reports for decision-making. To implement this recommendation, PO-RALG planned to ensure that by December 2020, it conducts major improvement on the coming LGRCIS to be more interfacing and integrated with other systems from TRA, NIDA, and other MDAs.

PO-RALG indicated that they have introduced a new system at LGAs known as TAUSI, which has been integrated with other systems from TRA and NIDA. The introduced system has improved the communication between PoS and the main system. The system has the ability to produce different required reports for decision-making at different levels, such as at the Ministry level, regional level and LGA level.

The verification conducted by the follow-up team noted that the system has the ability to generate reports depending on the areas of the jurisdiction of the officer. The Officials at PO-RALG can obtain all the information, such as the revenue collection status for each LGA. The introduced system can

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produce annual reports, quarterly reports, monthly reports and daily reports depending on the user's needs.

The follow-up team has also noted that, through the reports generated from TAUSI, the Ministry determined the amount of revenue collected daily, weekly, and monthly. The ministry can focus on the follow-up to LGAs whose trend or collection is low. In this regard, this recommendation was fully implemented.

Impact Realized

The noted impact is that there is a reduction in the use of cash on hand, '*fedha mbichi*', since the introduced system increased the tracking mechanism that forced tax collectors to make frequent deposits of collected funds in the bank. In addition, decision-makers can trace the collection trend through the dashboard, take immediate action, and determine whether collected money is in hand or deposited at the bank.

Further, the system increased control of revenue collection at LGAs since the decision-making was simplified because reports can be produced at any time to all required levels, i.e., Ministry, Regional and LGA levels. This is due to the ability of the system, through the dashboard, to display the status of revenue collection for all levels of administration within the set limits, such as cash on hand and the number of PoS online and offline. In this regard, the previous leakages of revenue loss have been significantly reduced. This was evidenced through physical verification of the system's functionality, whereby the number of PoS online and offline and the cash limit on hand.

Recommendation 3: PO-RALG should develop monitoring tools with sufficient details necessary for assessing the performance of Regional Secretariats and LGAs in revenue collection and use the tool to produce a comprehensive monitoring report that is informative to allow proper corrective action and decision-making

The recommendation requires PO-RALG to develop monitoring tools with sufficient details necessary for assessing the performance of Regional Secretariats and LGAs in revenue collection and to use the tool to produce a comprehensive monitoring report that is informative and allows proper corrective action and decision-making.

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To implement this recommendation, PO-RALG planned to fast-track the process and make sure the updated Financial Benchmarking 2020 is completed and put into implementation. Also, PO-RALG planned to train Regional Secretariats Staff by June 2020.

PO-RALG indicated that the developed TAUSI system has a module for monitoring and evaluating performance through the dashboard, where various reports/information can be obtained. The follow-up team also verified that the developed TAUSI system has a module that can monitor and evaluate the performance of the Regional Secretariat and LGAs. It was also noted that, through the TAUSI systems, PO-RALG can monitor revenue collection performance for all 26 Regional Secretariats and 184 LGAs daily, weekly, monthly and yearly.

The follow-up team also noted that through the report generated from the TAUSI system, PO-RALG can get information for each LGA, such as the number of registered PoS, number of active and inactive PoS, amount of banked and unbanked revenue collected amount by each revenue collectors. Since the TAUSI system can produce monthly reports, yearly reports, and quarterly reports of revenue collections, it helps PO-RALG monitor the performance of LGAs for decision-making.

Therefore, this recommendation was considered fully implemented because the developed system can produce an informative, comprehensive monitoring report to allow proper corrective action and decision-making.

Impact Realized

Following the implementation of this recommendation, the noted impact is that the system has increased internal control at PO-RALG due to increased ability to monitor and evaluate the trend of revenue collection at each level and make appropriate decisions at each level whether Ministry, Regional Secretariat or LGAs levels as explained in the last two recommendations.

Recommendation 4: Regional Secretariats monitor the performance of LGAs on revenue collections and proactively use the results to enhance revenue collection performances in LGAs

The recommendation required PO-RALG to ensure Regional Secretariats monitor the performance of LGAs on revenue collections and proactively

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use the results to enhance revenue collection performances in LGAs. To implement this recommendation, PO-RALG planned to use the Public Finance Management Reform Programme (PFMRP) V, which has programmes aiming to improve revenue collection from its own sources at LGAs.

PO-RALG, in its response, indicated that the developed TAUSI system has a module for monitoring and evaluating performance through a dashboard and reports. The follow-up team also confirmed that PO-RALG and Regional Secretariats could monitor the performance of LGAs in revenue collection using the information on the dashboard module of the TAUSI system.

It was also noted that through the TAUSI system, Regional Secretariats could monitor their LGAs' performance in revenue collection using the TAUSI dashboard, where the reports/information of daily, weekly, monthly and yearly can be obtained. It was noted that revenue information for each LGA captured in the dashboard includes the number of PoS, number of active and inactive PoS, and banked and unbanked collected amounts by the respective revenue collectors.

Further, through interviews with PO-RALG officials and verification of the functionality of the system, the follow-up team has noted that PO-RALG and RAS were using the information to improve the performance of non-performing LGAs. Interviewed officials at PO-RALG indicated that RAS of Songwe and Manyara were also enforcing the banking of collected revenue by calling agents who were noted to have unbanked funds. The status and respective number of agents were obtained at the TAUSI system dashboard.

Therefore, this recommendation was fully implemented because the developed system can produce informative, comprehensive monitoring reports to allow proper corrective action and decision-making at the regional level.

Impact Realized

The noted impact is that the internal control has increased at all levels. The system has increased the regional secretariat's ability to make decisions through various reports produced and information fed into the system. For example, apart from producing reports, information on telephone numbers of revenues has helped both the Regional Secretariat and LGA officials

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communicate directly with the revenue collector when the system indicates that he has unbanked funds. It has made it easier for the decision-maker to take immediate action through information and reports produced by the system.

(ii). Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from PO-RALG indicated that five (5) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: Ensure LGAs conduct feasibility studies for identified potential sources of revenues and use the results of the studies as a basis for setting revenue collection targets

The recommendation required PO-RALG to ensure that LGAs conducted feasibility studies for identified potential sources of revenues and used the results of the studies as a basis for setting revenue collection targets.

In addressing this recommendation, the Ministry indicated that it would direct LGAs to budget and undertake a feasibility study in phases depending on the availability of funds and to allocate a budget for building capacities of LGA's staff on conducting the feasibility study. Moreover, as an immediate action, in the absence of a feasibility study, councils were required to apply a framework for taxpayers' data collection and management to improve taxpayers' databases by June 2023.

In its response, the PO-RALG indicated that it conducted a feasibility study to identify potential revenue sources for five LGAs whose collections were below 1 million for five (5) consecutive years. Further, the Ministry submitted a report on the source of revenues in LGAs, which was conducted in January 2023, whereby the result was used to project the revenue for 2022/23.

In addition, the Ministry did not submit evidence indicating how the feasibility study results were used as inputs for setting the revenue collection targets for the respective LGAs. Further, the Ministry focused only on 5 LGAs out of 186 LGAs (equivalent to 2.69% of all LGAs).

Based on the above, the Ministry's response indicates that it has started to take initial steps towards addressing the key issues as per the issued recommendation, and thus, this recommendation is partially implemented.

Impact Realized

The noted impact of this recommendation was that for the conducted feasibility study of five (5) LGAs that had revenue collection below TZS 1 billion in five (5) consecutive years, the action taken by the PO-RALG had indicated a positive impact, as indicated by increased efficiency in the projection and identification of sources of revenues.

In 2021/22 and 2022/23, there was noted increasing meeting of target by 55% and 53%, respectively, when compared to the level of meeting the set target in assessed four years during the Audit in 2015/16 to 2018/19. The Audit Team expects more impact upon the conduct of feasibility studies in the remaining 183 LGAs in the country, whereby they will be able to identify more reliable sources of revenue for efficient collection and set realistic revenue collection targets.

Recommendation 2: Ensure LGAs are regularly updating their database for each revenue source and use them for setting projections for future revenue collections

The recommendation required PO-RALG to ensure that LGAs regularly update their database for each revenue source and use them to set projections for future revenue collections. PO-RALG, on its action plan, intended to implement this recommendation by continuing to insist that LGAs clean and update the taxpayer's database sustainably.

In its response, PO-RALG indicated that it assessed the effectiveness of LGAs in collecting revenue from their own sources to insist that LGAs update their revenue database to ensure realistic revenue projection. Discussions with officials from PO-RALG further indicated that Ilala started to collect taxpayer's details and establish a database for the same, which will be used as the pilot study. Upon completion, PO-RALG is expecting to do the same for all other remaining LGAs.

Also, the follow-up team noted that the PO-RALG response did not address the key requirement of the recommendation; that is, LGAs were required

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to update the database regularly. This was a critical aspect identified during the audit, whereby one of the challenges in revenue collection was the absence of an updated database of permanent taxpayers, leading to inaccurate estimation of revenue collection targets. The report also indicated that TRA has more taxpayers compared to LGA taxpayers' data.

Further, the PO-RALG response did not indicate whether LGAs used the output of the assessment as input for setting their revenue targets or for updating their database. Therefore, this recommendation was partially implemented because their assessment indicates that there is no updated database, which led to a low estimation of revenue collection.

Recommendation 3: PO-RALG, in collaboration with the Ministry of Finance and Planning, evaluate all potential sources of revenue and re-consider the revenue targets to see if they reflect the reality

The recommendation required PO-RALG, in collaboration with the Ministry of Finance and Planning, to evaluate all potential sources of revenue and re-consider the revenue targets to see if they reflect reality. PO-RALG planned to collaborate with the Ministry of Finance and Planning to develop a relevant tool for assessing realistic revenue for potential local revenue sources in the country.

In its response, PO-RALG indicated that in January 2023, in collaboration with the Ministry of Finance and Planning, it conducted an assessment of the effectiveness of LGAs in their own source revenue projections using accurate data in each revenue source.

However, PO-RALG's response did not indicate whether the study was conducted to assess the reality of the projections, including re-considerations of the target after assessment. Further, in the review of the Assessment Reports of January 2023 submitted by the PO-RALG, it was noted that the report did not state which or whether all potential sources of revenue were evaluated and the results were used to re-consider the revenue targets so as to reflect the reality as a key requirement of the recommendations. Therefore, this recommendation was partially implemented because it has not addressed the key aspects of the recommendation for setting realistic revenue targets based on the assessment done.

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Despite the improvement noted in LGAs meeting the set target through increasing efficiency in projection by 55% and 53% in the financial years 2021/22 and 2022/23, respectively, the potential impact of this recommendation is yet to be realized at its maximum. LGAs are expected to improve in their projects upon re-consideration of set targets based on assessed available sources of revenue.

Recommendation 4: PO-RALG should ensure that LGAs regularly evaluate the performance of contracted revenue collectors in areas of their jurisdiction and take immediate corrective actions against defaulters

The recommendation required PO-RALG to ensure it regularly evaluates the performance of contracted revenue collectors in areas of jurisdiction and takes immediate corrective actions against defaulters. The PO-RALG planned to achieve this by finalizing the Revenue Collection and Information System Guideline that, apart from guiding the use of the system, also explains the Responsibilities of Revenue Collectors and System Management, specifically PoS management. This guideline was to be finalized in 2020.

In its response, PO-RALG indicated that as of 30th June 2023, PO-RALG managed to finalize the guidelines submitted and verified by the follow-up team. Also, PO-RALG issued to LGAs a Modal Contract for Revenue Collection Agents, which was in line with new features embedded in the TAUSI system, i.e., Revenue Collection Agent Portal.

Further, before revenue collection, the contracted revenue collection agent uses the float, which requires the agent to deposit funds to a special account, and LGAs deduct the float as per collected revenue at the specified period. In addition, the system generates a control number for making payments from a float account. This also helps to minimize defaulters.

Despite the ability of the system to facilitate PO-RALG and LGAs to assess the performance of the revenue collectors/ contracted agents and take immediate actions, no reported actions have been taken upon assessment of the revenue collector. The Ministry's response is silent on the progress made on the recommendation aspects that required PO-RALG to ensure LGAs assess the performance of Contracted Revenue Collectors/Agents. Hence, this recommendation is partially implemented.

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Further, verification at LGAs, namely Kinondoni MC and Dodoma CC, indicated that things need improvement in the current system. According to the officials interviewed, the current system cannot show the business owners with debts. Further, for the business owners who renew their licenses, the system considers them as new businesses without their past history, so in case of any debts, they will not be reflected in the system.

Perceived Impact

The noted impact is that the system has reduced the risk of the tax collector losing PoS and data for collected revenue and disappearing with the collected fund. This was the predominant scenario during the audit, whereby there were reported cases of revenue collectors losing PoS and records of collected revenue. Through float and the requirement of operation of PoS online, there is assurance on the collected amount and a guarantee to recover the collected amount whenever anything happens through the deposited float. Further, there are no reported cases of loss of PoS to hide evidence for collected revenue since, as per the developed system, it will not work.

Recommendation 5: PO-RALG should ensure that LGAs have contracts or performance agreements with all revenue collectors and outsourced agents. The contracts and performance agreements should capture all the necessary details and binding terms to enhance the effective collection of revenues

The recommendation required PO-RALG to ensure that LGAs have contracts or performance agreements with all revenue collectors and outsourced agents. The contracts and performance agreements should capture all the necessary details and binding terms to enhance the effective collection of revenues.

In its response, PO-RALG planned to continue building the Regional Secretariats' capacity to supervise LGAs to evaluate the performance of collection agents, take action against defaulters, and introduce a Collection Agent Portal that will enable the Agent to monitor collections of all the POS assigned to him. Furthermore, PO-RALG has planned to introduce, among other controls, an Agent's Virtual Account that will require the Agent to pay

in advance, and the issuing of collection receipts will be limited by funds available in the virtual account (a float system) by June 2021.

Response from the Ministry indicated that PO-RALG has incorporated features in TAUSI for contract management, enabling LGAs to enter and upload contracts for revenue collectors and outsourced agents into the system. The system has a portal to facilitate outsourced agents in managing all PoS, collectors, and floats into his possession.

The analysis of the response from the Ministry provides what LGAs are supposed to do rather than what LGAs have done so far concerning entering binding Contracts and Performance Agreements, as required by the recommendation. Also, the provided response does not address the recommendation requirement, which requires LGAs to have performance agreements with revenue collectors.

During verification of the performance of the new system (TAUSI), discussions with officials from PO-RALG revealed that all contracts from LGAs are submitted to the system. It was further noted that the correctness of the contract is upon verification by the officials. The system cannot verify its correctness. In this regard, the recommendation is partially implemented.

Perceived Impact

It is important to ensure that the LGAs continue using the system for the operation of the procured outsourced revenue collectors, as they have to upload the contract of the respective contractor. This binds the LGAs and ensures that the procedure for procuring outsourced revenue collectors is followed, hence increasing the possibility of getting outsourced revenue collectors who can execute the required assignment.

(iii). Details of Recommendation that was Not Implemented

The analysis of submitted evidence and information from PO-RALG indicated that one (1) recommendation was not implemented. This recommendation and its status of implementation are explained below: -

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Recommendation 1: PO-RALG should ensure that LGAs develop effective revenue collection strategies and plans. The developed plans should also involve periodic reviews of by-laws for the available revenue sources in collaboration with all stakeholders in their areas for their effective implementation

The recommendation required PO-RALG to ensure LGAs develop effective revenue collection strategies and plans, including periodic reviews of LGAs' revenue collection by-laws and engaging all key stakeholders for effective implementation. PO-RALG planned to develop a formal revenue collection enhancement strategy for the financial year 2020/21 by applying procedures outlined in the revenue administration manual by June 2021 to implement this recommendation.

In its response, PO-RALG indicated that it developed the Revenue Collection Enhancement Strategy Framework in 2020/21, and 184 LGAs have been trained on how to use it. A review of the training report conducted in March 2023 indicated that the training was on installing PoS but not developing revenue collection strategies. Also, the Ministry did not submit the Revenue Collection Enhancement Strategy Framework that was reported to be developed. Further, there was no information regarding the extent to which PO-RALG has ensured that all LGAs have developed and updated their by-laws to collect revenue from their own sources efficiently.

In this regard, the recommendation is not implemented because the submitted training report is not related to developing a revenue collection strategy. Also, the Ministry submitted no supporting document regarding the developed revenue collection strategy for verification.

Summary of the Impact Assessment of the PA Report on Revenue Collection

The Performance Report on revenue collection from own source in LGAs aimed at improving the general system for collecting revenue from own sources to enhance, among others, to increase revenue from own sources. Upon issuance of the report and recommendations, PO-RALG took the initiative to improve the system for the collection of revenue as revealed in the noted summarized impact hereunder:

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Decreased Number of LGAs that were not achieving the revenue collection Targets

It was shown that following the issuance and implementation of the performance audit recommendations, there was a decreased number of LGAs not attaining their set targets on revenue collections. **Figure 11.2** indicates trends of the number of LGAs that achieved the set targets in revenue collections.

Figure 11.2: Trends of LGAs with noted Variations in Achieving Revenue collection Targets

Source: *Auditors' Analysis of Data from PO-RALG (2023)*

Figure 11.2 shows that the percentage of LGAs that did not fulfil the revenue collection targets ranged from 48 to 61 per cent before the performance audit. Additional evidence shows that this percentage decreased from 48% in the Financial Year 2019/20 to 15% in the Financial Year 2022/23 (equivalent to a 10 per cent decrease).

Improved Internal Control System and Accountability

The report enhanced PO-RALG to develop a new system for the collection of revenue, which was noted to be more efficient and effective than the system used before. There was a reduction of vendors of PoS from more than eight (8) vendors not accompanied by specifications from PO-RALG to

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only two vendors with specifications issued by PO-RALG based on their needs. Further, the system can offer reports at any specific time like daily, weekly, monthly and yearly.

Also, the system uses a float to ensure that the revenue collector deposits a certain amount before collection, which guarantees the recovery of the collected amount in case of anything. In addition, the account of Agent Management in the system enabled the LGAs to monitor the agent during collection and the agent to monitor his staff during revenue collection on a real-time basis. All these have strengthened internal control in LGAs.

Improved Service Delivery to Customers/Business Owner

The introduced TAUSI system has been integrated with other systems such as GePG, TRA, and NIDA. The system has enabled/simplified business license registration since the customer/business owner can register and acquire his license online while she is at any place in Tanzania without going to the business registrar at LGA's offices using NIDA and TIN numbers.

The audit noted the introduction of the new system, TAUSI, which replaced LGRCIS. According to the submitted evidence, business license registration was simplified because the customer or business owner can register and acquire their license online anywhere in Tanzania without going to the business registrar at LGAs' offices. All these could have a multiplier effect later on in revenue collection and the number of registered businesses in the country.

Enhanced decision making

Through TAUSI, Regional Secretariats and LGAs can now generate various comprehensive daily, weekly, monthly, and yearly monitoring reports. Further, the system is linked to other government systems like GePG and government agencies like NIDA and TRA. All these allow decision-makers to take various actions upon accessing information in the system when necessary.

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11.6 Specific Conclusion

Despite the effort shown by the President's Office – Regional Administration and Local Government to ensure that the issued recommendations are implemented for improved collection from own sources, it is still needed to take immediate action to ensure that all issued recommendations are fully implemented since only four (4) out of ten (10) recommendations were fully implemented.

11.7 Specific Recommendations

The President's Office – Regional Administration and Local Government is urged to:

1. Ensure that it takes action, all four (4) recommendations which are partially and not implemented to be fully implemented; and

2. Ensure there is a follow-up mechanism for the issued Performance Audit Recommendations and not wait until the report is due for follow-up.

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CHAPTER TWELVE

FOLLOW-UP AND IMPACT ASSESSMENT ON THE IMPLEMENTATION OF PERFORMANCE AUDIT RECOMMENDATIONS ON MONITORING AND ENFORCEMENT OF PUBLIC PROCUREMENT ACTIVITIES

12.1 Background to the Audit

Performance Audit Report on Monitoring and Enforcement of Public Procurement Activities was tabled before the Parliament of the United Republic of Tanzania in March 2020. The overall objective of the audit was to determine whether the Ministry of Finance (MoF) and Public Procurement Regulatory Authority (PPRA) adequately monitor and enforce Public Procurement activities to ensure value for money.

12.2 Audit Scope

The main audited entities were the Ministry of Finance (MoF) and the Public Procurement Regulatory Authority (PPRA). These two entities are institutions responsible for managing procuring entities in the country. The audit focused mainly on the Monitoring and Enforcement of Public Procurement Activities. The audit covered three financial years, from 2016/17 to 2018/19. Data were collected from the Ministry of Finance (MoF) and the Public Procurement Regulatory Authority (PPRA).

12.3 Main Audit Findings

(a) *100% of Public Procurement Institutions are neither Monitored nor Evaluated by MoF under PPPD*

The audit noted that 100% of Public Procurement Institutions were neither monitored nor evaluated by PPPD[9]. As a result, PPPD lacked key information regarding public procurement. This led to a lack of harmony in the public procurement system. The lack of harmony was demonstrated in the following scenarios: the petroleum bulk procurement system is not harmonized with the public procurement system as required by PPA. It also had uncoordinated training and seminars in the area of procurement.

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[9] Public Procurement Policy Division

The lack of monitoring was caused by the failure to implement a framework for monitoring and evaluating public procurement oversight organs[10] and the low prioritization of monitoring and evaluation of public procurement institutions.

(b) *PPRA Did not Conduct Audits for 234 Entities Within a Period of Five Years*

PPRA used the risk-based approach to identify the PEs[11] to be audited. Based on PPRA's established sampling criteria, it is mandatory for all PEs with procurement volume above TZS 20 billion and new PEs to be subjected to audit. However, we noted that new PEs and about 6 to 12 PEs with the procurement volume were not audited yearly. In addition, we noted that the selection of PEs to be audited was biased as most of the LGAs audited by PPRA were located in urban areas. LGAs that were in remote areas were rarely sampled for audit. This posed a risk of not detecting wrongdoing for a long time in the PEs that were not sampled.

As a result, the audit noted that 234 PEs, which represent 41% of the total PEs in the country, had not been audited by PPRA for five years. Of those PEs that were audited within the stated period, 12% were audited twice, and 39% were audited once. According to PPRA management, PPRA's limited resources (financial, equipment, and human) were the major cause of the low coverage of PEs. However, a review of expenditures indicated that PPRA allocated only 11 of its financial resources to audits.

(c) *TANePS[12] Was Not Adequately Used by PEs*

It was expected that the introduction of TANePS, which provides online submission information, would solve the problems related to the failure of PEs to submit contract award information to PPRA. We noted that the majority of PEs did not use TANePS. We further noted that two features in TANePS, e-catalogue and e-contract management, were not used at all. This was because these features were incompatible with the GPSA inventory system and the Ministry of Finance payment system. We noted that only 54%

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[10] PPRA, PSPTB, GPSA and PPAA.

[11] Procuring Entities

[12] Tanzania electronic Procurement System

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of PEs used TANePS during the procurement planning phase, while only 11% of PEs were awarded through TANePS.

(d) *PPRA Outsourced 92% of the Audits Conducted from 2016/17 to 2018/19*

PPRA conducted only 27 out of 330 Compliance and VFM audits, equivalent to 8 per cent, using its own staff and outsourcing the rest. This was mainly because of an insufficient human resource base.

(e) *100% of Sampled Retrospective Approvals Were Not Processed on Time*

Our audit noted delays in processing retrospective approvals for more than two years. The earliest retrospective approval given was 98 days, and the longest was 1,146 days from the date the Paymaster sought advice from PPRA. The team noted inconsistent decisions regarding the application for the retrospective approval process for the same scenario.

(f) *Unjustifiable Use of Single Source and Restricted Procurement Methods at TPA for Procurement Transactions Worth TZS 22,692,778,695/-*

Our audit noted that TPA, without justifiable reasons, opted to use a single source method for the procurement of ICT equipment, the Construction of a Jetty, Ramp and heavy-duty paving at Ndumbi along Lake Nyasa, the Construction of Partitions at TPA's one-stop Centre Building and Construction of Rigid Pavement at Check Point No.3 at Dar es Salaam Port.

(g) *Possible Financial Loss of TZS 6,953,328,896 Due to Improper Handling of Procurement at TPA and VETA*

We noted that TPA and VETA incurred an estimated loss of about TZS 6,953,328,896 due to improper tender evaluation and award decisions. Specifically, TPA may suffer a loss of TZS 5,345,900,475, whereas TZS 4,441,212,543 was due to delay in communicating awards and TZS 904,687.932 because of improper disapproval of awards. On the other hand, VETA may incur a loss of TZS 1,607,428,421 because of improper evaluation and award of contract.

(h) *PBPA executed procurement functions in the absence of a Tender Board and Procurement Management Unit*

We noted that PBPA delayed composing a Tender Board and Procurement Management Unit. However, the entity conducted the procurement of about TZS 3,281,584,401, contrary to the requirement of the PPA. We also noted that the entity has operated without an approved organization structure since January 2016.

12.4 Overall Audit Conclusion

There was no assurance that both the Public Procurement Policy Division (PPPD) under the Ministry of Finance (MoF) and the Public Procurement Regulatory Authority (PPRA) adequately enforced the monitoring of public procurement activities. The Division could not monitor the performance of public procurement institutions, including the Public Procurement Regulatory Authority and Procuring Entities. In addition, handling the requested retrospective approvals by the Ministry was ineffective as there was a substantial and unnecessary delay in the process, which made the objective of requesting retrospective approval lose its intended purpose.

12.5 Overall Audit Conclusion

Public Procurement Institutions are neither monitored nor evaluated by MoFP under PPP

MoFP, through PPPD, has not been able to provide assurance that the Public Procurement Regulatory Authority (PPRA), Public Procurement Appeal Authority (PPAA), Procurement Professional and Supplies Technician Board (PSPTB) and Government Procurement Service Agency (GPSA) perform their functions as required. Because 100 % of Public Procurement Oversight Institutions 32 and 100% of Procuring Entities (PEs) were neither monitored nor evaluated. As a result, the MoF is unaware of what is going on with the performance of oversight public procurement organs, the presence of public procurement systems which are not known and monitored by MoFP and PPRA, such as petroleum and fertilizer bulk procurement systems, uncoordinated training in the area of procurement and malpractice in public procurement.

Inadequate monitoring and evaluation of PEs by PPRA

There are entities that PPRA has not audited for a period of 5 years. As per the current trend, PPRA may take six (6) years to ensure each PE is audited. In addition, more than 50% of PEs do not have 32 PPRA, PPAA, PSPTB, and GPSA 72 submit monthly progress reports, internal audit reports and annual procurement awards. Selection of PEs for the audits does guarantee that all the PEs are substantially monitored. There is a risk that some PEs will go unmonitored for several years, and none of the PEs will be audited every year.

Retrospective approval applications were not handled properly

There are serious delays in processing retrospective approval for more than two years, which distorts the essence of applying for retrospective approval. In addition, there are double standards for the same scenario when applying the retrospective approval process.

PEs Do Not Comply with PPA to Ensure Value-for-Money

Despite efforts made by PPRA and MoFP under PPPD to ensure compliance and value for money in procurement transactions, there are notable weaknesses caused by inadequate monitoring and evaluation of procuring entities.

12.6 Results of the Follow-up on the Implementation of Recommendations

This part presents the implementation status of the recommendations issued to the Ministry of Finance (MoF) and the Public Procurement Regulatory Authority (PPRA) for the monitoring and enforcement of Public Procurement activities.

The implementation of the issued recommendations was measured using four levels in the classification of recommendations: *fully implemented, partially implemented, not implemented,* and *overtaken by event*. The following subsections provide an explanation of the status of the implementation of the issued audit recommendations.

12.6.1 Overall Implementation of Issued Recommendations

Twelve (12) recommendations were issued in this performance audit; six (6) were directed to the MoF, and six (6) were directed to the PPRA. The overall follow-up results on the implementation of the issued audit recommendations indicated that out of twelve (12) issued recommendations, three (3) recommendations were fully implemented, and nine (9) recommendations were partially implemented. **Table 12.1** details the implementation levels for the two audited entities.

Table 12.1: Level of Implementation of Recommendations by Audited Entities

Audited Entity	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
MoF	6	2	4	0	0
PPRA	6	1	5	0	0
Total	**12**	**3**	**9**	**0**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 12.1 shows that out of six (6) issued recommendations to MoF, two (2) recommendations were fully implemented, and four (4) were partially implemented. Similarly, it is indicated that out of six (6) recommendations issued to PPRA, one (1) recommendation was fully implemented, and five recommendations were partially implemented.

Further analysis of the issued recommendations for each recommendation category was made based on the four (4) implementation levels: fully, partially, partially implemented, not implemented, and overtaken by event. **Table 12.2** provides the levels of implementation for all issued recommendations based on these categories.

Table 12.2: Level of Implementation of Recommendations by Audited Entities

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Implementation/ Execution	5	2	3	0	0
Monitoring and Evaluation	2	0	2	0	0
Coordination	1	1	0	0	0
Development	4	0	4	0	0
Total	**12**	**3**	**9**	**0**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

In **Table 12.2**, it is highlighted that in the implementation category, two (2) recommendations were fully implemented, while three (3) were partially implemented. In the monitoring category, out of two (2) recommendations, two (2) were partially implemented. Also, one (1) recommendation was partially implemented in the coordination category. Furthermore, all (4) recommendations were partially implemented in the development category.

12.6.2 Results of Follow-Up of Implementation of Issued Recommendations to MoF

This section details the implementation status of the issued recommendations to the Ministry of Finance (MoF). A total of six (6) recommendations were issued to the MoF. Two (2) recommendations were fully implemented, and four (4) were partially implemented. **Table 12.3** summarizes the implementation status of the recommendations issued to MoF in their respective categories.

Table 12.3: Level of Implementation of Recommendations by Category of Recommendations

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Implementation/Execution	1	1	0	0	0
Monitoring and Evaluation	2	0	2	0	0
Coordination	1	1	0	0	0
Development	2	0	2	0	0
Total	**6**	**2**	**4**	**0**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 12.3 indicates that one (1) recommendation in the implementation category was fully implemented. Also, all two (2) recommendations in the monitoring and evaluation category were partially implemented. Furthermore, in the coordination category, one (1) recommendation was fully implemented; in the development category, all two (2) recommendations were partially implemented.

Below are the details of the implementation status of the issued recommendations based on the four levels of implementation, namely, fully implemented, partially implemented, not implemented, and overtaken by event.

(i).   Details of Recommendations that were Fully Implemented

Recommendation 1: Develop a coordination mechanism to minimize overlapping functions of public procurement institutions

This recommendation required the MoF to develop a coordination mechanism to minimize overlapping functions of public procurement institutions. In its action plan, MoF planned to facilitate the amendment committee reviewing PPA CAP 410 and PSPTB ACT to propose a clear demarcation of public procurement oversight functions.

The newly enacted Public Procurement Act No. 10 of 2023 provides clear demarcations of responsibilities by removing the PPPD to provide capacity building and still empowers PPRA to undertake capacity building. Therefore, this recommendation was fully implemented.

The audit was not in a position to state the impact of removing overlapping activities because it was removed in the recently enacted Public Procurement Act No. 10.2023, and the legislation is expected to be in effect after the issuing of the public procurement regulation, which was under preparation.

Recommendation 2: Develop and implement a capacity-building program for PPPD staff to facilitate the monitoring and evaluation of procurement institutions

This recommendation required MoF to develop and implement a capacity-building program for PPPD to facilitate the monitoring and evaluation of procurement institutions.

In its action plan, MoF planned to train PPPD (Public Procurement Policy Division) staff on monitoring and evaluating public procurement systems. According to the response provided by MoF, 15 staff from the Public Procurement Policy Division were trained. Therefore, based on the above explanation, this recommendation was fully implemented.

The audit found that the only impact was the knowledge acquired by PPPD staff on performance measurement. However, the acquired knowledge has not yet been used because MoF waited for the newly enacted Public Procurement Act and its Regulations so as to integrate them with the performance measurement of the public procurement institutions.

(ii).　Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from MoF indicated that four (4) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

Controller and Auditor General

Recommendation 1: Ensure monitoring and evaluation of the performance of public procurement institutions is regularly conducted

This recommendation required the MoF to ensure that monitoring and evaluation of the performance of public procurement institutions are regularly conducted.

MoF committed itself to developing key performance indicators (KPIs) to monitor and evaluate public procurement oversight institutions. MoFP responded that it had drafted a monitoring and evaluation framework for public procurement oversight institutions and submitted it to the authorities for approval. However, the draft has been in place since 2016 and was acknowledged during the audit.

Furthermore, in response to KPIs, MoF stated that they have been developed and are included in the Monitoring and Evaluation (M&E) framework draft. However, management has not yet approved the framework.

According to the MoF official, the delays were attributed to waiting to incorporate new challenges into the new enactment of new public laws and regulations. It also revealed that procurement activities will be monitored and evaluated once public procurement regulations are completed and approved. In view of the above, it is concluded that this recommendation was partially implemented.

The audit will be able to assess the impact of the issued recommendation after the completion of the Public Procurement Regulations, which were under preparation, and the approval of the monitoring framework for performance measurement of public procurement institutions.

Recommendation 2: Review and update the process for advice on retrospective approval to ensure the approval process is shortened

This recommendation required the MoF to review and update the process for advice on retrospective approval to ensure the approval process is shortened. In its action plan, MoF planned to facilitate the amendment committee's review of stakeholders' comments on the implementation of PPA CAP410, in which the retrospective approval process will be reviewed.

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Based on the response provided and the interview, it indicates that the Public Procurement Act No. 10 of 2023 has explained the retrospective process. Initially, the procurement law required all procurement procedures to be carried out, and when there were needs, they would go to PPRA and then to MoF. Amendments have been made, as the tender board approval has been removed from the process. This implies that the retrospective approval process has been shortened, especially for the PE side.

It is concluded that this recommendation is partially implemented because the retrospective approval process has been shortened, especially for the PE side.

The audit was not in a position to state the impact of shortening the approval process of retrospective approval because it was done in the newly passed Public Procurement Act No. 10.2023, and the act is expected to be enforced after the issuing of the public procurement regulation, which was under preparation.

Recommendation 3: Review public procurement laws and regulations to harmonize public procurement systems such as Bulk Procurement Systems (Petroleum Bulk Procurement System) and electronic procurement system

The recommendation required the MoF to review public procurement laws and regulations to harmonize public procurement systems, such as bulk procurement systems (Petroleum Bulk Procurement System) and electronic procurement systems.

In its action plan, MoF planned to review and harmonize the country's current bulk procurement systems with PPA CAP 410. However, this has not been done yet. The Public Procurement Act applies to all procurement and tender-based disposal activities conducted by a procuring entity unless stated otherwise within the Act. Various bulk procurement systems have arisen in recent years, including acquiring motor vehicles, petroleum, fertilizers, etc., undertaken by public entities with diverse arrangements.

However, these arrangements have been implemented without specifying otherwise in the Public Procurement Act, and other legal frameworks guide them. According to MoF officials, the arrangement of the bulk procurement

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system was stated otherwise in the newly enacted public procurement law. This implies that monitoring and evaluation need to be undertaken.

It is concluded that this recommendation is partially implemented because the entities implementing bulk procurement systems had arrangements not guided by public procurement requirements. In contrast, the public procurement laws have not made any exemptions, and no monitoring or evaluation has been done in this area.

Recommendation 4: Ensure public procurement oversight organs submit performance reports to PPPD for monitoring and evaluation purposes

This recommendation required the MoF to ensure that public procurement oversight organs submit performance reports to PPPD for monitoring and evaluation purposes. In its action plan, MoF planned to review the current reporting mechanism of public procurement oversight institutions and propose amendments to public procurement regulations in collaboration with the Treasury Registrar.

As per the provided response, it does not indicate whether public procurement oversight organs submitted a performance report or whether the public procurement policy division analysed it to assess the performance of the report submitted and any feedback. Except for the annual performance evaluation reports submitted by PPRA, PPRA usually submits them even before the audit. However, during the discussion, MoF mentioned that the Monitoring and Evaluation framework will address the issue.

According to the MoF officials, the delays were attributed to waiting to incorporate news challenges into the new enactment of new public laws and regulations. Also revealed that, once public procurement regulations are completed and approved, procurement activities' monitoring and evaluation framework will be improved.

It is concluded that the recommendation is partially implemented because the system of submitting and assessing the performance of public procurement oversight organs has not been improved; expect that it will be improved after the completion of regulation. However, several efforts have been made to reform the public procurement sector.

12.6.3 Results of Follow-Up of Implementation of Issued Recommendations to PPRA

This section provides details on the implementation status of the issued recommendations to the Public Procurement Regulatory Authority (PPRA). A total of six (6) recommendations were issued to PPRA. One (1) recommendation was fully implemented, five (5) were partially implemented. **Table 12.4** summarises the implementation status of the recommendations issued to PPRA by category of recommendations.

Table 12.4: Level of Implementation of Recommendations by Category of Recommendations

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Implementation/Execution	4	1	3	0	0
Development	2	0	2	0	0
Total	**6**	**1**	**5**	**0**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

According to **Table 12.4**, it is indicated that among the four (4) recommendations within the implementation category, one (1) recommendation was fully implemented, and three (3) recommendations were partially implemented. Out of the two (2) recommendations in the development category, all two (2) were partially implemented.

Below are the details of the implementation status of the issued recommendations based on the four implementation levels: fully implemented, partially implemented, not implemented, and overtaken by event.

(i). Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from PPRA indicated that one (1) recommendation was fully implemented. This recommendation and its status of implementation are explained below:

Recommendation 1: Ensure market prices of commonly used items and services are available for benchmarking purposes

This recommendation requires PPRA to ensure the market prices of commonly used items and services are available for benchmarking purposes. PPRA, in its action, planned to conduct a market survey to obtain market rates for commonly used items for benchmarking purposes. Failure to obtain market price information may cause PEs to procure Commonly Used Items and Services (CUIs) at higher prices than the prevailing market prices because of a lack of benchmarking.

The PPRA response indicates that a pilot survey on market prices to establish the market rates for commonly used items has been conducted and is expected to be installed in NeST. They have submitted a report for verification for the pilot market survey. Therefore, based on the above, it is concluded that this recommendation is implemented.

The noted impact is that commonly used items cannot be procured at a higher price since PPRA was able to establish market rates for commonly used items, which helped PEs compare the quoted rates from suppliers versus the price catalogue from PPRA. However, the audit did not assess the impact because the established ceiling price was not used.

(ii). Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from PPRA indicated that five (5) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

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Recommendation 1: Ensure all Public Procuring Entities are audited and follow up on the issued recommendation within a certain specified period

This recommendation requires PPRA to conduct an audit of PEs and follow up on its issued recommendation. Without doing so, there will be more fraudulent activities on those PEs that are not regularly audited. The Authority will ensure all procuring entities are audited at least once within three years. Furthermore, using NeST will widen the audit scope, commencing in 2023/24, when more entities will be audited using e-procurement.

In Financial Year 2020/21, the Authority conducted audits of 86 entities, where one entity was assessed on a VFM audit, 53 entities were assessed on both compliance and value-for-money audits, and 32 entities were assessed on a compliance audit.

Also, a value-for Money audit was carried out in five PEs implementing PFMRP, namely the National Audit Office of Tanzania (NAOT), ACGEN, MoF, Office of the Treasury Registrar (OTR), and President Office-Regional Administration and Local Government (PO-RALG).

In Financial Year 2021/22, the Authority conducted procurement audits to check compliance by PEs in 232 entities, value for money in 44 entities, and performance in 46 entities implementing projects under the COVID-19 Fund. In Financial Year 2022/23, the Authority assessed the use of TANePS at 91 PEs and the value-for-money audit at 89 PEs. In collaboration with PO-PSM, the Authority continues to fill gaps in its management level. Currently, the authority has 123 staff members, compared to 87 staff members at the end of Financial Year 2022–21.

Analysis of the PPRAs' response and the submitted supporting evidence shows a substantial increase in audit coverage and depth over the years, particularly regarding VFM audits, compliance assessments, and utilisation of electronic procurement systems (TANePs, NeST) to enhance the auditing process. Staffing levels have also grown to support these efforts. Therefore, based on the above, it is concluded that this recommendation is partially implemented since it is still under implementation.

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The noted impact is that the number of audited PEs by the Authority has been increasing in each financial year from 2020/21 to 2022/23, whereas 86, 232, and 180 entities have been audited in 2020/21, 2021/22, and 2022/23, respectively as the result it increases compliance with the basic principle of public procurement.

Recommendation 2: Ensure all PEs submit required procurement information to PPRA for monitoring purposes

This recommendation requires PPRA to ensure PEs submit the procurement information to PPRA for monitoring purposes. In its action plan, PPRA planned to publish the list of PEs that have not submitted the required information on the PPRA website and TPJ, issue reminder letters to defaulting PEs, and submit the list to competent authorities for necessary actions.

PPRA, in its response, indicated that in Financial Year 2020/2021, 588 out of 718 registered entities submitted APPs through the system. APPs from 574 entities, which is 80 per cent of the entities registered, were approved and published through the system, whereas APPs from 14 entities were not published because they had anomalies. The total value of Annual Procurement Plans (APPs) published through the system was TZS 25.82 trillion.

In Financial Year 2021/22, out of 803 entities connected in the system, only 667 (83 per cent) submitted and uploaded their APPs in TANePS (Tanzanian National e-Procurement System), which consisted of 62,161 tenders with a total estimated value of TZS 32.093 trillion. The Authority advised nine entities that had submitted their APPs to rectify noted anomalies. Still, they did not respond; hence, 136 entities (16.9 per cent of the entities connected) failed to upload their APPs into the system. 10,052 tenders worth TZS 2.488 trillion processed through TANePS were awarded through TANePS.

In Financial Year 2022/2023, 732 (85 per cent) out of 864 registered PEs submitted their APPs through TANePS with a value of TZS 23.84 trillion. Furthermore, 5,890 out of 46,996 tenders processed through TANePS were managed to be published through TANePS. Most of the required procurement information is easily obtained through NeST.

The recommendation is partially implemented based on the above responses since the trends indicate increased registered entities using TANePS over the years. Still, not all registered entities consistently uploaded their APPs. In the financial year 2022/23, while a significant number of APPs were submitted, fewer tenders were published through TANePS compared to the total processed. The system seems useful, but some entities have faced challenges in compliance or responding to rectify anomalies. But now, with the new system, PEs are still registering themselves in NeST, so it is still under implementation.

The noted impact is that PPRA has succeeded in installing another electronic procurement system that will cover a wider range of auditing and monitoring processes since the previous system had multiple drawbacks that did not play a big part in the monitoring process. This will help achieve value for money during the procurement process.

Recommendation 3: Ensure that recommendations for PEs with poor performance are directed to respective competent authorities to take corrective action

This recommendation requires PPRA to direct recommendations to competent authorities for PEs with poor performance. PPRA, in its action, planned to forward competent authorities' recommendations for taking necessary actions against poor-performing PEs.

In the financial year 2020/21, five entities, namely Kondoa TC, Mbogwe DC, Chato DC, Tanzania Livestock Research Institute, and Biharamulo DC, were assessed as having poor compliance. Furthermore, 15 entities were assessed as having contracts with poor performance. The entities with contracts with poor performance were Dar es Salaam City Council, RAS Mbeya, TANROADS Kilimanjaro, Chato DC, Dodoma City Council, UWASA Njombe, UWASA Mbeya, TPC, TRA, Ngara DC, Tandahimba DC, GASCO, MSD, TANESCO, and MUST.

In the financial year 2021/22, 62 entities were assessed as having poor performance, and 25 in the financial year 2022/23. Pursuant to Section 20 of PPA 2011, the Authority recommended that the Accounting Officers and HPMUs show the cause of why disciplinary action should not be

recommended to their competent authorities for failing to ensure adherence to PPA, PPR, and issued guidelines.

Therefore, based on the above, it is concluded that this recommendation is partially implemented; the said action was not submitted to the audit for verification.

Recommendation 4: Develop strategies to improve its human resource base to avoid outsourcing core functions of the authority by 100 per cent

This recommendation requires PPRA to develop strategies to improve its human resource base to avoid outsourcing the core functions of the authority by 100 per cent. In its action plan, PPRA planned to request PO-PSM to fill the gaps in the authority's manning level.

The PPRA response indicates that PPRA has developed and implemented human resources recovery strategies, including staff incentives to motivate and retain staff, recruitment, appointment, and transfer strategies, which led to an increase in the number of staff from 87 (2020/21) to 123 (2023/24). As of 30 September 2023, the authority had 41 technical officers who were responsible for procurement audits (Procurement and Supply: 23 officers; Quantity Surveyors: 2 officers; Engineers: 7 officers; and Lawyers: 6 officers).

Of 41 staff, 37 are on the PPRA payroll, while four (4) are transferred to PPRA, but their salary transfer is still in the process. Hence, they are not on the PPRA payroll. The Authority expects that by the end of the financial year 2023/24, it will accomplish its target of having the required number of staff and will not outsource staff for core functions.

However, the Authority updated its Scheme of Service to accommodate various cadres used in procurement audits, including pharmacists and irrigation engineers, to avoid outsourcing.

Therefore, based on the above, it is concluded that this recommendation is partially implemented because they have planned to accomplish it by the end of 2023/24.

The noted impact is that the number of staff has increased, which will aid in not outsourcing staff to perform core functions. The Authority expects

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that by the end of the financial year 2023/24, it will accomplish the target of having the required number of staff and will not outsource staff for core functions.

Recommendation 5: Develop a mechanism for implementation and monitoring bulk procurement systems

This recommendation requires PPRA to develop mechanisms to implement and monitor bulk procurement systems. In its action plan, PPRA planned to carry out a procurement audit for the Petroleum Bulk Procurement Agency to review the existing systems.

PPRA responded that the mechanism for monitoring bulk procurement from MSD, GPSA, and TFC had been developed in the new e-procurement system (NeST). Monitoring of the procurement proceedings will be done within the system. But, their response did not include bulk procurement of petroleum. Therefore, based on the above, it is concluded that this recommendation is partially implemented because monitoring of the bulk procurement system has not been done.

12.7 Specific Audit Conclusion

Based on the analysis of the implementation status of the previously issued recommendations, the audit concluded that the Ministry of Finance (MoF) and the Public Procurement Regulatory Authority (PPRA) made enough efforts to implement the issued recommendations. The management of all entities are advised to exert more effort to ensure that all recommendations are fully implemented.

12.8 Specific Audit Recommendations

12.8.1 Recommendations to MoF

The Ministry of Finance (MoF) is argued to:

(i) Ensure all issued recommendations are fully implemented; and
(ii) Follow up on the implementation status of the remaining recommendations, which were partially or not implemented at all, and monitor their Implementation Status from time to time.

12.8.2 Recommendations to PPRA

The Public Procurement Regulatory Authority (PPRA) is argued to:

(i) Ensure that all previously issued recommendations are fully implemented; and

(ii) Follow up on the implementation status of the remaining recommendations, which were partially or not implemented at all, and monitor their Implementation Status from time to time.

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CHAPTER THIRTEEN

FOLLOW-UP AND IMPACT ASSESSMENT ON THE IMPLEMENTATION OF PERFORMANCE AUDIT RECOMMENDATIONS ON THE IMPLEMENTATION OF AFRICAN UNION AND UNITED NATIONS CONVENTIONS AGAINST CORRUPTION IN PUBLIC PROCUREMENT

13.1 Background to the Audit

Performance Audit Report on the Implementation of African Union and United Nations Conventions against Corruption in Public Procurement was tabled before the Parliament of the United Republic of Tanzania in March 2019. The overall objective of the audit was to assess the effectiveness of the Ministry of Finance (formerly the Ministry of Finance and Planning) in ensuring compliance and implementation of the public procurement system as per provisions set out in the African Union (AU) and United Nations (UN) conventions[13] to fight against corruption in procurement.

13.2 Audit Scope

The main Auditee was the Ministry of Finance (MoF) through the Public Procurement Policy Division (PPPD), and two entities were directly responsible for overseeing procurement practices. These entities include the Public Procurement Regulatory Authority (PPRA) and the Public Procurement Appeals Authority (PPAA).

The focus of the audit was to assess compliance with the existing procurement legal framework and policy in the country with the requirements of AU and UN conventions as well as the effectiveness of implementing the procurement practices stipulated in these conventions. The audit covered a period of 12 years, from 2005 to 2017.

Data were collected from the Ministry of Health and Prime Minister's Office, Labour, Youth Employment, and Persons with Disability. Data were also collected from the two councils selected in two regions, namely Dar es Salaam and Coastal Region. These Councils were the Ilala Municipal Council

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[13] United Nations Conventions Against Corruption (UNCAC) and African Union Convention on Preventing and Combating corruption

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from the Dar es Salaam Region and the Kisarawe District from the Coastal Region.

13.3 Main Audit Findings

(a) *Sanctions Provided for Fighting Corruption Are Lenient*

Article 9.1(c) of UNCAC requires appropriate sanctions and administrative actions to be pursued in the event of non-compliance with procurement laws, regulations and practices.

The audit team reviewed the Country Review Report of the United Republic of Tanzania 2012/2013[14] by the United Nations and observed that the sanctions provided for in Sections 17 to 37 of the Prevention and Combating of Corruption Act No. 11 of 2007 are very lenient. According to these sections, the maximum imprisonment is seven (7) years, while the maximum fine is TZS 10 million (TZS 15 million for corrupt transactions in procurement and auctions). The available sanctions were also found to be discretionary, as they provide for maximum sanctions only while leaving the minimum sanctions in terms of imprisonment and fines to be determined by the presiding magistrate or judge. When this discretion is abused, a convict can even be imprisoned for under six months, which could be very inappropriate with the conviction.

(b) *Lack of non-monetary penalties for blacklisted and debarring companies convicted of corruption*

Article 26 of the United Nations Convention Against Corruption (UNCAC) requires each member state to adopt measures consistent with its legal frameworks to establish the liability of legal persons for participation in the offences. The article ensures that legal persons are held liable for all criminal and non-criminal sanctions, including monetary sanctions, through the United Nations Convention Against Corruption (UNCAC) as incorporated in our Public Procurement Act, 2011 and its Regulations of 2013.

The audit team noted that the system of blacklisting and debarring companies convicted of corruption exists (Section 62(3) of the Public

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[14] United Nations Office for Drugs and Crime, Country review report of United Republic of Tanzania 2012/2013

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Procurement Act, 2011 and Reg. 93(3) (a) of the Public Procurement Regulation of 2013). The sections provide non-monetary penalties that can apply to companies convicted of a corruption offence. For example, under Section 62(3) of the Public Procurement Act No. 7 of 2011, companies convicted of corruption offences can be blacklisted and debarred from public tender processes, as required under UNCAC Article 26. These penalties may not be useful in recovering the amount lost from corrupt practices determined upon convictions.

(c) *Absence of written Procurement Policy as guiding instrument in public procurement operations*

Section 6 (1) of the Public Procurement Act, 2011, provides the functions of the Public Procurement Policy Division. According to Section 6(1) of the Act, among other oversight functions, the division is responsible for developing a National Procurement Policy, reviewing procurement policies, regulations, circulars and other related directives to update the same and monitor the implementation of Public Procurement Policies. UNCAC also insists that the policy guidelines on public procurement be publicly available[15].

Apart from the requirement of having a policy, the audit team noted that there was no procurement policy. The audit team noted that the government, through the Ministry of Finance and Planning under PPPD, started preparing the policy on public procurement, which is currently a draft document (January 2018).

Further, the audit team noted that there was neither a Procurement Operational Manual nor a specific Code of Ethics and Conduct for public officers engaging in procurement activities. The missing documents would serve as guiding tools in promoting good practices and ethical standards in public procurement and provide guidance for procurement practices as per the Public Procurement Act (PPA).

The Public Procurement Policy Division (PPPD) informed the audit team that the Government is developing a Code of ethics and conduct for public officers engaging in procurement activities. We were further informed that the Government was developing the Procurement Operational Manual

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during 2015/16. The Government is also conducting a study intended to evaluate the efficiency of the country's public procurement systems to strengthen the relevant systems. The consultant released the draft report in June 2017.

(d) *The Institutional framework is in line with the requirements of AU and UN Conventions*

In ensuring the procurement practices stated in African Union (AU) and UNCAC conventions are implemented, the audit team noted the procurement system in Tanzania is made up of key actors, namely the Ministry of Finance (MoF), the Public Procurement Policy Division (PPPD), the Public Procurement Regulatory Authority (PPRA) and the Public Procurement Appeal Authority (PPAA). The role of each actor is adequately defined in the Public Procurement Act of 2011 as required by the Conventions.

(e) *Provision of training on procurement issues*

The Government is continuing to implement recommendations made by the TNA exercise that was carried out in 2015. Up to now, 42 officials have been trained in risk management in procurement undertakings, and 65 procurement personnel are trained in applying the EPICOR system in public procurement.

According to the Annual Performance Reports, in 2014/15, 139 participants from 11 PEs were trained on the weaknesses observed in the PEs during procurement audits. PPRA also conducted a dissemination workshop on procurement implementation tools for 217 participants.

During the years 2015/16 and 2016/17, a total of 338 and 629 participants from 17 Procuring Entities and 29 PEs were trained on the PPA through tailor-made training, respectively. Similarly, it was noted that in 2015/16 and 2016/17, PPRA conducted a dissemination workshop on PPA for 205 and 805 participants, respectively.

Our inquiry with the PPRA Management and review of the training reports confirmed the training's undertaking. However, no evidence was provided to the audit team showing the undertaking of such other training in the

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previous years. The Government has approved and adopted a public procurement scheme for the civil service.

13.4 Overall Audit Conclusion

Generally, it was noted that the Ministry of Finance (MoF), through the Procurement Policy Division (PPPD) and other entities responsible for procurement, namely the Public Procurement Regulatory Authority (PPRA) and Public Procurement Appeals Authority (PPAA), took a lot of initiatives in ensuring the procurement is in line with the requirement of UN and AU Conventions.

In our assessment, we noted that Tanzania, as a state party in these conventions, had developed a procurement policy and legal framework that conformed to the requirements of AU and UN conventions. The team further noted that the bodies have managed to achieve some of their set objectives, though critical areas lagged.

13.5 Results of the Follow-up on the Implementation of Recommendations

This part presents the implementation status of issued recommendations to the Ministry of Finance and Planning (Currently the Ministry of Finance) through the Procurement Policy Division (PPPD) in collaboration with its agencies, such as the Public Procurement Regulatory Authority (PPRA) and Public Procurement Appeals Authority (PPAA)

The implementation of the issued recommendations was measured using four levels in the classification of recommendations, namely, *fully implemented recommendations, partially implemented recommendations, not implemented recommendations,* and *overtaken by event recommendations*. The following subsections provide an explanation of the implementation status of the issued audit recommendations.

13.5.1 Overall Implementation of Issued Recommendations

A total of six recommendations were issued in this performance audit, and all recommendations were directed to the Ministry of Finance. The overall follow-up results on implementing the issued audit recommendations

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indicated that out of six (6) recommendations, two (2) were fully implemented, three (3) were partially implemented, and one (1) was not implemented. **Table 13.1** shows details of the level of implementation of the issued recommendations to the Ministry of Finance.

Table 13.1: Level of Implementation of Recommendations by the Audited Entity

Audited Entity	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
MoF	6	2	3	1	0
Total	**6**	**2**	**3**	**1**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 13.1 shows that out of six (6) issued recommendations to MoF, two (2) were fully implemented, three (3) were partially implemented, and one (1) was not implemented.

Further analysis of the issued recommendations for each category was made based on the four implementation levels: fully, partially, not implemented, and overtaken by event.

Table 13.2 provides the level of implementation for all issued recommendations based on these categories.

Table 13.2: Categories of Recommendations issued to the Ministry of Finance and their Level of Implementation

Category of Recommendation	Total Number of Issued Recommendations	Level of Implementation of Recommendations			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Implementation/ Execution	3	1	1	1	0
Development	3	1	2	0	0
Total	**6**	**2**	**3**	**1**	**0**

Source: *Auditors' Analysis of the Implementation Status of the Issued Recommendations (2023)*

Table 13.2 shows that, the implementation category had three (3) recommendations whereby one (1) recommendation was fully implemented, one (1) was partially implemented, and one (1) was not implemented. The development category had three issued recommendations; one (1) recommendation was fully implemented, two (2) were partially implemented, and none were not implemented.

13.5.2 Results of Follow-Up of Implementation of Issued Recommendations to MoF

This part presents the implementation status of recommendations issued to the Ministry of Finance on the performance audit on the implementation of the United Nations and African Union on Conventions Against Corruption in Public Procurement.

The implementation of the issued recommendations was measured using four levels in the classification of recommendations, namely, fully implemented recommendations, partially implemented recommendations, not implemented recommendations, and overtaken by event recommendations.

The following subsections explain the details of the implementation status of the issued audit recommendations.

(i).   Details of Recommendations that were Fully Implemented

The analysis of submitted evidence and information from MoF indicated that two (2) out of six (6) recommendations were fully implemented. These recommendations and their status of implementation are explained below:

Recommendation 1: MoF should develop a mechanism which will ensure all staff involved in the procurement process declare their assets and liabilities regularly and make effective follow-up in verifying these assets

This recommendation required the Ministry to develop a mechanism to ensure all staff involved in the procurement process declared their assets and liabilities regularly and made effective follow-ups to verify these assets. As an action plan to address this recommendation, the Ministry planned to facilitate the Amendment Committee in preparing a code of ethics and

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conduct for public officers and tenderers who engage in public procurement.

Based on the sampled Code of Ethics submitted to the Audit Team as evidence, the audit acknowledges that the Ministry has taken initial steps towards implementation of this recommendation. The code of ethics and conduct for public officers and tenderers became effective in December 2021 through the Government Notice No. 804, published on 10/12/2021.

Therefore, the audit team considered this recommendation to be *fully implemented*.

The introduction of a code of ethics and conduct for public officers and tenderers was expected to contribute to the reduction of malpractice relating to non-compliance with procurement legislation. However, the Ministry of Finance has not conducted an evaluation regarding the impact of the implementation of this recommendation. Thus, the impact on the implementation of the recommendation could not be assessed.

Recommendation 2: Considering the frequent serious mismanagement revealed in CAG's reports, develop an improved system of sanctions against malpractice in procurement at both central and local government levels

This recommendation required the Ministry of Finance to develop an improved sanction system against procurement malpractice at both central and local government levels. In the action plan developed by MoF to implement this recommendation, it was indicated that MoF would facilitate the Amendment Committee in preparing a code of ethics and conduct for public officers and tenderers who engage in public procurement with the objective of appealing ethical behaviour to all procurement practitioners.

Through reviewing the implementation status, it was noted that in the financial year 2020/21, MoF prepared and introduced a code of ethics and conduct for public officers and tenderers engaging in public procurement to appeal ethical behaviour to all procurement practitioners. The follow-up noted that the prepared code of ethics has detailed information for both public officers and tenderers, which, if complied with, will reduce malpractices in procurement at both central and local government levels.

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In addition, the enactment of Public Procurement Act No. 10 of 2023 will guide public officers and tenderers in the procurement process based on current practice requirements. Furthermore, the introduction of the National e-procurement System of Tanzania (NeST) by the Ministry, and if the Ministry of Finance is accompanied by strict emphasis from the Ministry on its implementation of this system, will reduce bureaucracy and malpractice through enhanced transparency during the procurement process.

Therefore, this recommendation is considered *fully implemented* since MoF prepared and issued a code of ethics and conduct for public officers and tenderers who are engaging in public procurement and enacted the Public Procurement Act No. 10 of 2023 to guide public officers and tenderers in the procurement process of public goods, works or services.

The introduction of a code of ethics and conduct for public officers and tenderers, enactment of Public Procurement Act No. 10 of 2023 and the introduction of the National e-Procurement System of Tanzania (NeST) were expected to contribute to the reduction of malpractice relating to non-compliance with procurement legislations.

However, the analysis of the rate of compliance scores among procuring entities, which was also expected to be influenced by the full implementation of this recommendation, shows a declining trend in the rate of compliance, indicating a minimal or no impact on the implementation of this recommendation. The rate of compliance in procurements among procuring entities declined from 80.6% in 2019/20 to 55.70 in 2022/23. These statistics connote the presence of very minimal or no impact on the implementation of the recommendation.

Details of Recommendations that were Partially Implemented

The analysis of submitted evidence and information from MoF indicated that three (3) recommendations were partially implemented. These recommendations and their status of implementation are explained below:

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Recommendation 1: Develop and issue the Procurement Policy and Manual to enable stakeholders to be well-guided in implementing the procurement activities in the country

The recommendation required the MoF to develop and issue a Procurement Policy that was expected to guide procurement activities for all stakeholders. In the action plan, the Ministry of Finance planned to implement this recommendation by drafting the National Public Procurement Policy, submitting it to the Cabinet Secretariat, and undertaking a study to justify the need to develop the respective policy. In implementing this recommendation, the Ministry developed a Draft National Public Procurement Policy and submitted it to the Cabinet Secretariat. Moreover, on 28 May 2020, the Cabinet Secretariat recommended that the Ministry conduct a study to justify the need to develop a National Public Procurement Policy by approving a consultancy work on determining the significance of developing a National Public Procurement Policy and drafting a National Supply Chain Management Policy.

The reviews of the minutes from the respective meeting found that MoF has started to develop a Public Procurement Policy 2023, which is expected to be the guide of procurement activities for all stakeholders.
The policy is expected to improve the implementation of supply chain activities in strategic areas, including investment, education, agriculture, health, infrastructure, environmental conservation, and strengthening private sector engagement.

The audit acknowledges other efforts the Ministry of Finance made on the same matter, including conducting the study to determine the significance of developing a National Public Procurement Policy. However, the Draft Public Procurement Policy has not yet been approved by the Management of the Ministry of Finance and was not finalized.

The initial drafting of the National Supply Chain Management Policy was a step made in the recommendation. At the same time, the other part, which has not yet been implemented, requires the approval and dissemination of the developed Policy.

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Therefore, this recommendation is considered partially implemented since the developed policy has yet to be approved by the MoF and disseminated to the stakeholders.

Recommendation 2: Build capacity by providing awareness training to the PEs and economic operators in applying the procurement laws to improve knowledge and thus improve compliance with the requirements of procurement legislation

The recommendation required the Ministry to provide awareness training to the PEs and economic operators to build their capacity to apply the procurement laws to improve knowledge and thus improve compliance with the requirements of procurement legislation.

Analysis of the Ministry's responses together with the Reviewed Fourth Quarter Cumulative Progress Report for the Financial Year 2022/23, the audit confirmed that the Ministry of Finance conducted training on the application of TANePS and training on the Public Procurement Act, Cap. 410.

The analysis of the extent of coverage of training of targeted groups found that regarding the training on the awareness of PPA, Cap. 410 to PEs and training on the application of TANePS conducted to economic operators, the Ministry of Finance managed to train 398 out of 864 PEs (equivalent to 46% of all PEs). However, the Ministry's response did not indicate its plans for the remaining PEs and for continuous improvement on the adaptation of the training for sustainability and evaluation of the outcome of the training.

Based on the analyzed actions by the Ministry of Finance, the Audit Team concludes that the recommendation is partially implemented, and the Ministry of Finance needs to take measures to ensure that the recommendation is fully implemented.

The provision of awareness training to the PEs and economic operators in applying the procurement laws was expected to influence the compliance rate with the Public Procurement Act, Regulations, Guidelines and Manuals. However, the review of the Annual Procurement Evaluation Report (APER) by PPRA for the period ending 30 June 2023 shows that there has been very minimal to no impact on the measures that PPRA undertook to improve the rate of compliance and reduce non-compliance with procurement laws,

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regulations, guidelines and manuals. The compliance rate has declined from 80.65% in the financial year 2019/20 to 55.7% in the financial year 2022/23. The decline in the compliance rate is contrary to the expected results following the full implementation of recommendation number 6, which was expected to influence the compliance rate positively.

Recommendation 3: Develop a standardized public procurement course for employees of the government responsible for procurement to reduce the rate of non-compliance and potential corrupt practices

The recommendation required the Ministry of Finance to develop a standardized public procurement course for government employees responsible for procurement to reduce the rate of non-compliance and potential corrupt practices.

In implementing this recommendation, the Ministry planned to prepare training manuals for capacity building in PPA and e-procurement and prepare standard online learning material and certification.

The review of the online sources indicated by the Ministry noted that developed materials address the NeST on e-procurement. However, the response of the Ministry indicates that it has not developed the training manual for capacity building in PPA, and its plan for the same is not stated in its response.

Additionally, the development of the e-learning platform has not effectively commenced. The Ministry has just started preparing the standard training material for tenderers to capacitate them.

Moreover, the response of the Ministry does not state when PEs have started to use the prepared training manuals and when the training materials for tenderers will be ready as a commitment to the fulfilment of this recommendation.

The evidence availed by the Ministry satisfies that the Ministry has taken some preliminary initiatives in addressing the recommendation requirement. Thus, the Audit Team concludes that this recommendation is *partially implemented*. This is because the developed e-learning platform has not commenced, and the training materials for capacity building in public procurement activities have not been deployed.

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(iii) Details of Recommendation that Was Not Implemented

The analysis of submitted evidence and information from MoF indicated that one (1) recommendation was not implemented. This recommendation and its status of implementation are explained below:

Recommendation 1: Ensure that recommendations issued on weaknesses noted during procurement audits are given appropriate attention by relevant authorities and PEs in order to achieve value for the money of resources expended in conducting these audits and evaluations

This recommendation required the Ministry to ensure that recommendations issued to relevant authorities and PEs were effectively implemented. However, In implementing this recommendation, the Ministry did not indicate planned actions required to be taken to implement this recommendation.

Furthermore, the Ministry's responses have reinstated the same requirement. Still, they have not indicated how and what the Ministry has done so far to ensure that the recommendations for addressing the weaknesses noted in procurement audits are effectively addressed. On the other hand, the Ministry's response did not state the extent of implementation of the issued recommendations. Similarly, the Ministry has not indicated its plan for conducting follow-up and implementation so far, with the reports showing the actions taken.

Therefore, the audit concluded that the recommendation *had not been implemented*. This is because the Ministry did not provide plans, implementation status, reports, and follow-ups on ensuring that recommendations issued on weaknesses noted during procurement audits are given appropriate attention by relevant authorities and PEs to achieve value for the money of resources expended in conducting these audits and evaluations.

13.6 Specific Conclusion

Based on the analysis of the implementation status, the audit concluded that the Ministry of Finance did not make adequate efforts to implement the issued recommendations. The management of MoF should ensure that

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all recommendations are fully implemented as they present valid and actionable solutions to various issues affecting their performance.

13.7 Specific Recommendations

Recommendations to the Ministry of Finance (MoF)

The Ministry of Finance is urged to:

1. Develop an action plan that will ensure that recommendations that are partially and not implemented are fully implemented to comply with the African Union and United Nations Conventions against Corruption in Public Procurement; and

2. Develop a mechanism for monitoring and reporting the implementation status of the issued performance audit recommendations.

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CHAPTER FOURTEEN

GOVERNANCE ARRANGEMENTS FOR THE IMPLEMENTATION OF PERFORMANCE AUDIT RECOMMENDATIONS

14.1 Introduction

This chapter describes the governance arrangements within the audited entities for the implementation of the performance audit recommendations. It details how the existing governance arrangement has contributed to the insufficient implementation of the issued audit recommendations.

14.2 Status in the Implementation of Previous Issued Performance Audit Recommendations

For the last six (6) years, from the year 2018 to 2023, the National Audit Office of Tanzania (NAOT) made a follow-up on the implementation of the performance audit recommendations to a total of fifty-one (51) Performance Audit Reports that were tabled before the parliament from the year 2015 to 2020. A cumulative total of 681 recommendations were assessed to determine the extent to which the respective Audited Entities implemented them. **Figure 14.1** summarizes trends in the number of previously issued performance audit recommendations, including the follow-up made in the year 2023 and the extent of implementation.

Figure 14.1: Trend and Status of the Previously Issued Performance Audit Recommendations
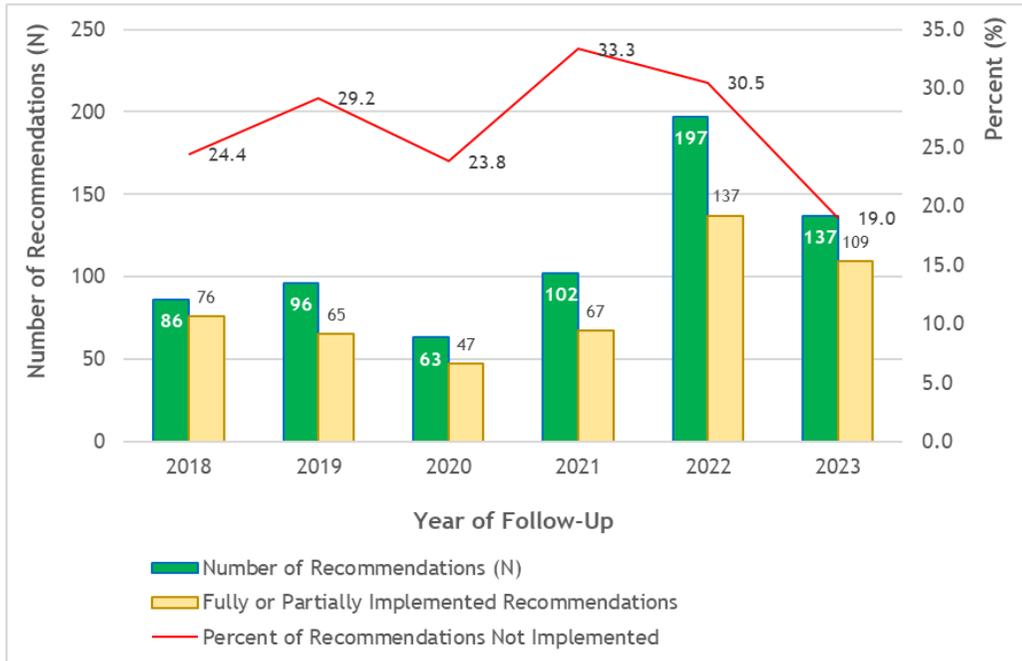
Figure 14.1 illustrates an increase in the number of performance audit recommendations for which follow-up was made, except for the year 2020. These recommendations increased from 86 in 2018 to 197 in 2022. The result also shows that, from the year 2018 to 2023, more than half of the issued performance audit recommendations were either fully or partially implemented and varied between 65.7% and 88.4%. Likewise, the figure depicts that the proportion of performance audit recommendations that were not implemented declined from 33.3% in 2021 to 19.0% in 2023

14.3 Level of Implementation of the Audit Recommendations in Audited Entities

Based on the conducted follow-up, 137 recommendations were given for all twelve (12) Performance Audit Reports. Of all issued recommendations, 30 recommendations (22%) were fully implemented, 79 recommendations (58%) were partially implemented, 26 recommendations (19%) were not implemented, and events overtook two (2) recommendations (1%). Furthermore, it was reported that 109 out of 137 recommendations (80%)

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were either fully or partially implemented. **Figure 14.2** shows the overall status of the issued performance audit recommendations in the year 2023.

Figure 14.2: Overall Implementation Status of the Issued Performance Audit Recommendations
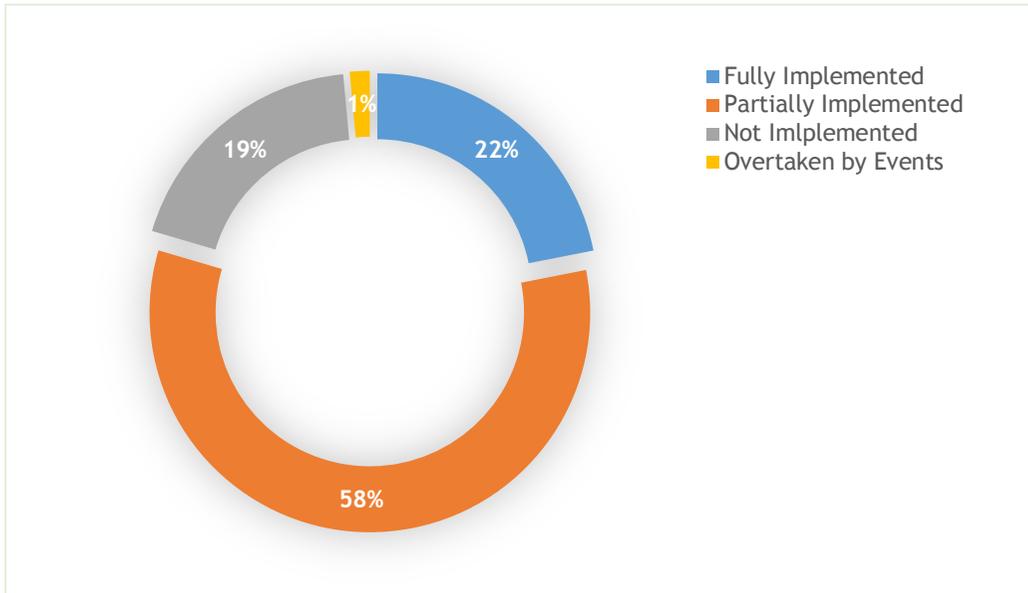
Generally, the recommendations issued to the Audited Entities were grouped into five main sub-categories: planning, implementation/execution, monitoring and evaluation, coordination, and development. Overall, out of 137 recommendations, 29 recommendations (21.2%) were in the Planning category, 45 recommendations (32.8%) were in the Implementation/Execution category, 23 recommendations (16.8%) were in the Monitoring and Evaluation category, 12 recommendations (8.8%) were in the Coordination category, and 28 recommendations (20.4%) were in the Development category. **Table 14.1** indicates the number of issued recommendations based on the recommendation category for each Audited Entity.

Table 14.1: Number of Issued Recommendations by Recommendation Category to Each Audited Entity

Audited Entity	Recommendation Category				
	Planning	Implementation /Execution	Monitoring and Evaluation	Coordination	Development
Ministry of Agriculture	6	1	0	1	0
National Food Reserve Agency (NFRA)	5	1	0	1	0
President's Office-Regional Administration and Local Government (PO-RALG)	5	7	5	6	3
Tanzania Rural and Urban Road Agency (TARURA)	1	1	3	0	1
Ministry of Information, Communication and Information Technology (MICIT)	0	0	1	0	2
Tanzania Communications Regulatory Authority (TCRA)	1	1	1	1	0
Tanzania Revenue Authority (TRA)	2	6	0	0	0
Ministry of Education, Science and Technology (MoEST)	2	4	1	1	5
Vocational Education and Training Authority (VETA)	0	3	1	0	2
Ministry of Health (MoH)	2	8	0	0	0
Ministry of Energy (MoE)	0	0	1	0	0
Tanzania Electric Supply Company (TANESCO)	3	1	1	0	1
Energy and Water Utilities Regulatory Authority (EWURA)	1	0	1	0	0
Ministry of Finance (MoF)	1	4	2	1	5
Financial Intelligence Unit (FIU)	0	0	5	0	2
National Multi-disciplinary Committee on Anti-Money Laundering (NAMLC)	0	0	1	0	3
Ministry of Livestock and Fisheries	0	4	0	1	2
Public Procurement Regulatory Authority (PPRA)	0	4	0	0	2
Total	29	45	23	12	28

Source: *Auditors' Analysis of the Responses from the Audited Entities (2023)*

Table 14.1 describes that a total of 16 out of 29 recommendations in the Planning category were issued to the Ministry of Agriculture (MoA), National Food Reserve Agency (NFRA), and President's Office – Regional Administration and Local Government (PO-RALG), a total of 21 out of 45 recommendations in the Implementation/Execution category were issued to the Ministry of Health (MoH), President's Office - Regional Administration and Local Government (PO-RALG), and Tanzania Revenue Authority (TRA). A total of 10 out of 23 recommendations in the Monitoring and Evaluation category were issued to PO-RALG and the Financial Intelligence Unit (FIU), 6 out of 12 recommendations in the Coordination category were issued to PO-RALG, and 10 out of 28 recommendations in the Development category were issued to Ministry of Finance (MoF) and Ministry of Education, Science and Technology (MoEST). Further analysis was done to indicate the level of implementation by recommendation category. **Table 14.2** details the implementation status of the recommendations by recommendation categories.

Table 14.2: Overall Status of Implementation by Recommendation Category

Recommendation Category	Number of Issued Recommendations	Status of Implementation			
		Fully Implemented	Partially Implemented	Not Implemented	Overtaken by Event
Planning	29	4	14	11	0
Implementation/Execution	45	5	32	7	1
Monitoring and Evaluation	23	7	13	2	1
Coordination	12	5	5	2	0
Development	28	9	15	4	0
Total	137	30	79	26	2

Source: *Auditors' Analysis of the Responses from the Audited Entities (2023)*

According to **Table 14.2**, a large number of recommendations that were either fully or partially implemented were in the implementation/execution category (37 recommendations). It is also demonstrated that a large number of recommendations that were not implemented were in the Planning category (11 recommendations). Similarly, the Development category included a large number of recommendations that were fully implemented (9 recommendations).

14.4 Reasons for Insufficient Implementation of the Issued Recommendations to the Audited Entities

The following section provides details on the perceived reasons for the observed status of implementation of the issued performance audit recommendations in the audited entities. Insufficiently implemented recommendations were assessed by observing the existing governance arrangements within the audited entities. The assessment focused on the available systems to monitor the implementation of the issued audit recommendations and processes used to guarantee the implementation of the previously issued audit recommendations.

14.4.1 Inadequate System for Monitoring the Implementation of Issued Recommendations

(a) Absence of a Unit or Section Responsible for Overseeing the Implementation of Recommendations

The audit team noted that among the 17 entities included in this follow-up, none had a specific Section or Department responsible for monitoring and supervising the execution of issued recommendations. In interviews

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between the follow-up teams and these entities, it became evident that considerable effort was spent in identifying the relevant sections and personnel tasked with providing updates on the implementation status of recommendations when the follow-up teams made inquiries.

While conducting the verification process, it was observed that within the 17 audited entities, specific Sections or Departments (depending on the audit's focus) were responsible for handling these recommendations and consolidating their implementation status.

(b) Inadequate Involvement of Top Management and Audit Committees in the Monitoring of Implementation of Audit Recommendations

Through interviews with officials from MoA, MoEST, MoE, and VETA, it was noted that internal auditors were tasked with overseeing the implementation status. Still, the procedures lacked documentation, which hindered the seamless tracking of the entire process since the submission of the final performance audit report. In all the audited entities where follow-up took place, the top management and audit committees were not involved in deliberating on the responses required by the follow-up teams. Furthermore, no records or meeting minutes indicated whether the top management or audit committees had addressed and discussed the implementation status of the recommendations.

As a result, it took quite some time for the entities to respond to the implementation status of the recommendations because the contact persons took time to identify Sections, Departments, or responsible staff with the responsibility for consolidating the overall responses from various Sections within the Ministries. This was also the case in the Departments and Agencies covered during the follow-up. The likes of VETA, TRA, EWURA, NFRA, and FIU did not have any mechanism for ensuring that the issued recommendations were shared with the management and deliberated to ensure that they were managed and implemented promptly.

(c) Absence of Reporting Mechanism for the Performance Audit Recommendations

The mechanisms for reporting the Implementation Status of Recommendations to the audited entity's management are deemed

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insufficient. It was observed that the audited entities were deficient in establishing robust reporting mechanisms to communicate the implementation status of the provided recommendations. None of the 17 audited entities covered in the follow-up had a dedicated report showcasing the status of implemented recommendations. The Ministries and Agencies mentioned earlier did not generate any report demonstrating the status of implemented recommendations.

Additionally, it was noted that when these entities underwent follow-up, upon being asked to furnish the implementation status regarding the issued recommendations, they relied on the implementation matrix created by NAOT, seeking input regarding their progress in implementing the recommendations.

This indicates that the audited entities made minimal efforts to provide subsequent reports on the implementation within their organizations, indicating a lower priority was given to this aspect.

Absence of Defined Processes for Managing Implementation of Issued Recommendations

The Audit noted that Ministries and Agencies did not have defined processes for implementing performance audit recommendations. This was because there were no defined procedures for handling the issued recommendations.

(a) Lack of Detailed Plan for Implementation of Audit Recommendations

Examination of the submitted annual plans and Strategic plans uncovered a deficiency in action plans and specific timelines that detail the activities to be implemented along with the allocated budget for these endeavours.

During the exit meetings between the NAOT and the Management of the audited entities, the audited entities received the audit recommendations and came up with preliminary implementation plans. In those preliminary plans, the audited entities came up with broad activities and timelines from which the recommendations were to be implemented.

However, it was noted that, apart from the preliminary plans that were prepared during the exit meetings, the audited entities had no other plans

to guide them further and allocate responsibilities to specific units that would track the progress. In the 17 entities covered in this follow-up, no one was clearly accountable for this matter. This hindered follow-up within the audited entities.

(b) Inadequate Coordination and Communication on the Implementation of Issued Recommendations

The follow-up team observed that the Internal Audit function within the Ministries and Agencies covered by this follow-up was equally unaware of issues regarding implementing performance audit recommendations. However, this was discovered during the entry meeting when the management of NAOT introduced the follow-up assignment.

Interviews held by Officials at the Ministries and Agencies covered by this follow-up revealed that most of the staff were unaware of the follow-up. In that case, even the assigned staff in a respective Ministry or Agency could not promptly respond to matters raised in the shared recommendation matrix. The Matrix was sent to ministries and agencies at the beginning of the follow-up assignment, requesting the status of the implementation of the performance audit recommendations. It was also observed that there was no coordination between Ministries and Agencies under their administration.

The same situation was noted at MoE and MoEST; there were no plans for implementing the issued recommendations and no accountable unit or personnel that could be responsible where there was a need to respond to the follow-up queries. The Ministry has commissioned all audit queries to the Internal Audit Unit. Still, it was not that most of the queries and recommendations that were given attention were financial or special audits.

(c) Absence of Recommendation Registry

Furthermore, the audit noted that the failure to prepare the implementation status report was due to the lack of recommendation registers to capture all performance audit recommendations issued to the respective MDAs.

The lack of recommendation registers within the ministries and agencies largely made it difficult for them to respond and provide timely answers on the audit recommendations' implementation status. This was evidenced by the fact that even when they were issued with letters requesting the status of implementation of the audit recommendations, they had no records in their offices. They had to request the Performance Audit Reports from NAOT.

It was further noted that information regarding the implementation status was not successfully shared across sections or departments within the ministries and agencies covered in this follow-up.

14.4.2 Inadequate System for Monitoring the Implementation of Issued Recommendations

The audit team evaluated the adequacy of the systems for monitoring the implementation of the given recommendations. Through the evaluation, the audit team noted that the systems for monitoring the implementation of issued recommendations within the Ministries and Agencies covered in this follow-up did not function and contributed largely to the unsatisfactory implementation of the issued recommendations. This was noted due to the following:

(a) Lack of Monitoring Plans and Key Performance Indicators

It was observed that the monitoring system was deficient in monitoring plans and performance indicators essential for evaluating the extent of implementation of the provided recommendations. The entities lacked designated focal persons or sections responsible for leading and tracking the implementation status. As a result of inadequate monitoring, the following weaknesses were identified:

(i) The inability to record all issued recommendations in the recommendations register resulted in the audited entities lacking a comprehensive understanding of the recommendations requiring attention;

(ii) The omission of the issued recommendations from the audited entities' plans, budgets, and activities was observed;

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(iii) Inadequate and irregular tracking of the recommendation's implementation status and insufficient reporting and sharing of this status were noted; and

(iv) Despite three years passing since the recommendations were issued, the implementation of audit recommendations was deemed unsatisfactory.

Nevertheless, the audit team observed an unclear method by which the internal audit function in the Ministries and Agencies, subject to this follow-up, guarantees the efficacy of implementing issued recommendations within the responsible departments.

(b) Lack of a Mechanism to Track the Implementation Status of Issued Recommendations

Although there was an expectation for follow-up consideration during the execution of the internal audit plan, it was observed that there were no defined procedures in place to facilitate the tracking of the implementation of CAG-issued recommendations. Furthermore, within the follow-up plan, there was a lack of provided reports detailing how previously issued audit recommendations were considered during the implementation within the respective departments for which the recommendations were issued.

(c) Absence of Defined Reporting Mechanisms on the Status of the Implementation Issued PA Recommendations

While the responsible departments were assigned the issued audit recommendations for implementation, the follow-up audit team observed the absence of a reporting mechanism to track the implementation status of these recommendations within the respective departments. Furthermore, it was discovered that the absence of appointed personnel overseeing the step-by-step progress of recommendation implementation and reporting this progress to the internal audit section was the underlying reason for this lack of reporting mechanism.

CHAPTER FIFTEEN

CONCLUSION AND RECOMMENDATIONS

15.1 Introduction

This chapter concludes on the implementation status of the previously issued recommendations, covered in this report from Chapter Two through Chapter Fourteen. The conclusion is based on the overall objectives of the follow-up audits on the implementation of recommendations as presented in Chapter One of this report.

Likewise, this Chapter provides general recommendations to the Government Ministries, Independent Departments, Agencies, and Local Government Authorities on how to improve the current state regarding the implementation of CAG's recommendations.

15.2 General Conclusion

The overall conclusion of this follow-up is that the actions taken by the Audited Entities in response to the previously issued performance audit recommendations have, to some extent, addressed the issues to which the recommendations were made. What is generally indicated by the follow-up results is that nearly a quarter of the issued recommendations were not implemented.

The results of the follow-up revealed that various factors, including insufficient governance structures within the audited entities, a lack of clearly defined roles and reporting structures within these entities, and the inappropriateness of the processes and systems for monitoring implementation of the issued recommendations within the audited entities, are the main causes of insufficient implementation of the issued recommendations.

Furthermore, it is observed that the Audited Entities are still operating without designated departments or personnel in charge of coordinating and ensuring the implementation of the recommendations that have been issued. These entities also lack comprehensive plans that would guarantee the implementation of the issued recommendations. In general, these

factors were observed to contribute to the insufficient implementation of the audit recommendations.

15.3 Specific Conclusion

(a) The Audited Entities have satisfactorily implemented a large number of the audit recommendations issued by CAG

All of the recommendations that were issued have a satisfactory overall implementation level. The results of the follow-ups showed that 20% of the issued recommendations were not implemented, while 80% were either fully or partially implemented. It was further noted that insufficient implementation of the issued recommendation was largely attributed to a lack of a monitoring system to help track the implementation status of each recommendation in the respective Ministries and Agencies.

In addition, various actions have been taken by the audited entities concerning those recommendations directed towards planning, implementation, and monitoring. However, those recommendations related to coordination, implementation (execution), supervision, monitoring, and evaluation have been partially implemented.

This is even though those areas are critical for enhancing the performance of the audited entities in various areas of their jurisdictions. This means that no corrective measures are taken to address issues in those areas.

Inadequate efforts in taking corrective measures to improve those areas have largely denied those audited entities room to enhance the quality of the services they provide and ultimately denied the public the opportunity to receive high-quality services from these entities.

(b) The Audited Entities are lacking a Working Governance System for monitoring the Implementation of NAOT's Performance Audit Recommendations

The audited entities lack well-functioning working governance systems for monitoring NAOT's performance audit recommendations. This challenge exists despite all audited entities having internal audit functions, audit committees and conducting periodic management meetings. Moreover, the

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implementation and reporting structures were not extensively used to address the performance audit recommendations. For instance, the Audit Committees of all nine (9) Audited Entities have neither received nor conducted follow-ups on the issued performance audit recommendations.

Another example is the internal audit function of the audited entities. The function does not demonstrate being involved in making any follow-ups on issues raised in the performance audit reports. The same was also observed during the Management Committees' meetings of the Audited Entities, where they never discussed and deliberated on the implementation status of the issued performance audit recommendations.

Furthermore, reporting on the level of implementation of the issued audit recommendations was found to be a challenge since there was no documented information or reports that tracked and documented the level of implementation of the issued recommendations and ensured that the implementation status was periodically updated.

15.4 Overall Recommendations

The Prime Minister's Office is urged to ensure that all Ministries, Independent Departments, Agencies and Local Government Authorities:

1. Establish sound governance structures and mechanisms for tracking and monitoring the implementation of Audit recommendations;

2. Prepare action plans stating how the Audited Entity will ensure that the partially and not implemented recommendations are addressed on a timely basis;

3. Ensure that the submitted Performance Audit Reports are effectively disseminated to the responsible Divisions or Departments within the Audited Entities and explain what they are out to do. Where possible, the Reports should also be communicated to the existing governance systems, such as the Internal Audit and Audit Committee, for proper follow-up and actions; and

4. Establish monitoring mechanisms or tracking systems to ensure the implementation status of all issued audit recommendations is regularly

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checked and reported in a timely manner to the management of the audited entities for necessary actions.

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APPENDICES

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Appendix 1: Areas Visited for Verification

Title of the Performance Audit Report	Areas Visited	Reason(s) for the Visit Made
Supervision of the Construction of Warehouses and Storage Silos Complexes Projects	• Mbeya • Katavi	It represents two contractors, each from separate lots. Moreover, one project (Mpanda-Project) has been completed while another project (Mbozi-project is not yet completed)
Quality of Executed Bitumen Surfaced Road Works in Urban Areas	• Ilemela MC • Rombo DC • Mbeya CC	The three levels of LGAs have been selected to obtain a representative conclusion of the extent of implementation of audit recommendations.
Management of Revenue Collection from the Telecommunication Services' Providers	• Dar-es-Salaam (Eastern Zone) • Mwanza (Lake Zone) • Dodoma-Ministry of Communication • Zanzibar Office	• Dar-es-Salaam is the headquarters of both TRA and TCRA: visit the Tele-traffic Monitoring System (TTMS) at TCRA and visit the Electronic Revenue Collection System (eRCS) at TRA/Interview to verify the responses; • Mwanza - Backup centre to visit the system of TTMS to assess the status of performance/verify the responses; • Dodoma – to interview with officials at the Ministry of Information, Communication and Information Technology; and • Zanzibar to verify the status of performance of office/zones on revenue collection from Telecommunication service providers at the office/zone level.
Access to Quality Vocational Education and Training	• Dar-es-Salaam • Dodoma • Mbeya	• The audit focused on MoEST, based in Dodoma, responsible for ensuring quality vocational education and training across the country, allowing easy access for the audit team to verify recommendations;

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Title of the Performance Audit Report	Areas Visited	Reason(s) for the Visit Made
		• The audit also included the Vocational Education and Training Authority (VETA). Although its headquarters are in Dodoma, its operations are located in Dar-es-Salaam; and • The vocational centre in Mbeya was visited to verify the implementation status as well.
Management of Immunization and Vaccination Project Activities	• Dodoma, • Kilimanjaro • Dar-es-Salaam	Kilimanjaro was selected among regions identified with the best performance of Immunization, Dodoma was selected to assess the progress of immunization in moderate-performing regions, and Dar Es Salaam was selected to assess the level of implementation of immunization since the region was categorized among least performer regions for immunization.
Maintenance of Accessibility and Reliability of Electric Supply Services	• Dar-es-Salaam • Morogoro	• Verify construction of substations; • Verify whether the DCC system was rollout countrywide; and Verify whether the Concrete pole factory (TANESCO's subsidiary company) has started production.
Management of Provision of Capacity Building to In-Service Teachers	• Singida (Singida MC) • Arusha (Meru DC)	To assess the overall management in providing in-service teachers' capacity building.
Implementation of National Initiatives to Combat Money Laundering	• Dodoma • Dar-es-Salaam	• To discuss with Officials from the Ministry of Finance in Dodoma; and • Also, in Dar-es-Salaam, the team met with the Financial Intelligence Unit (FIU) and the National Multi-Disciplinary Committee on Anti-Money Laundering.

Title of the Performance Audit Report	Areas Visited	Reason(s) for the Visit Made
Prevention and Control of Livestock Diseases	• Dodoma • Dar-es-Salaam	• Existence of Tanzania Veterinary Laboratory Agency (TVLA) and TVI in Dar-es-Salaam; • Ministry of Livestock and Fisheries; and • President's Office – Regional Administration and Local Government.
Revenue Collections from Own Sources in Local Government Authorities	• Dar-es-Salaam (Ilala and Kigamboni), • Tabora (Nzega and Tabora MC)	Comparison of cities with high revenue and regions with average revenue following the implementation of the issued audit recommendations (for instance, use of EFD machines in the collection of revenues, quality of EFD machines that are currently used, and diversification of sources of revenue).
Monitoring and Enforcement of Public Procurement Activities	Dodoma	Dodoma
Implementation of African Union and United Nations Conventions Against Corruption in Public Procurement	• Dar-es-Salaam • Songwe (Momba District)	• Dar-es-Salaam (DSM) – There are two key institutions PPPA and PPRA, which are still headquartered in DSM and, therefore a need to verify the implementation of conventions from their end; • Momba District – As among the LGAs with the lowest procurement volumes and therefore a means of verifying the compliance to conventions from a low volume procurer; and • Government Procurement Services Agency-(GPSA) has been selected as one of the institutions with a large procurement threshold from different Governmental institutions.

Source: *Auditors' Analysis of the Responses from the Audited Entities (2023)*

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