



## **MEDIA STATEMENT**

**Date: 14 April 2026**

### **ANNUAL GENERAL REPORTS OF THE CONTROLLER AND AUDITOR GENERAL FOR THE FINANCIAL YEAR 2024/25**

#### **DODOMA**

In accordance with Article 143 of the United Republic of Tanzania of 1977, the Controller and Auditor General completed the audit of the Government for the financial year 2024/25 and submitted the Annual General Reports to the President of the United Republic of Tanzania H.E. Dr Samia Suluhu Hassan on 30 March 2026. In line with process set out in the Constitution, the Government tabled the Reports in Parliament on **Friday, 10 April 2026**. The National Audit Office of Tanzania (NAOT) issue this statement to notify the public that the reports are now publicly accessible for parliamentary action and citizen oversight.

#### **Annual General Reports tabled**

The following **Annual General Reports for the financial year 2024/25** were tabled in Parliament:

- i. Annual General Report on the Audit of the Central Government;
- ii. Annual General Report on the Audit of Local Government Authorities (including PO-RALG and Regional Secretariats);
- iii. Annual General Report on the Audit of Public Authorities and Other Bodies;
- iv. Annual General Report on the Audit of Development Projects;

- v. Annual General Report on the Audit of Information and Communication Technology (ICT) Systems;
- vi. Annual General Report on Performance Audits (Value for Money), including
- vii. 19 individual performance audit reports;
- viii. Annual General Report on the Follow-up of Implementation of Performance Audit Recommendations.

Together, these reports provide a comprehensive assessment of the management of public resources, governance systems, and service delivery performance across the public sector.

### **Overview of audit outcomes**

A total of **1,554 audits** were conducted during the audit cycle, including 1,339 financial audits, as well as performance, compliance, forensic, real-time, and systems audits. Out of 1,339 financial audits conducted for the 2024/25 financial year, 99% (1,326 auditees) received an unqualified (clean) audit opinion.

During his submission to the President, the CAG highlighted that overall, the audit reports show that the preparation of accounts is satisfactory, and to a large extent, they comply with the procedures and regulations for the preparation of these accounts.

However, the CAG cautioned that a clean audit opinion does not necessarily mean operations are flawless, that internal controls are perfectly robust, or that citizens are receiving optimal services.

### **Entities with Qualified, Adverse, and Disclaimed Opinions**

While 99% of entities performed well, the remaining 1% reflects significant weaknesses. It is crucial for the public to understand what these outcomes mean.

- **Qualified Opinion:** This means that while the financial statements are largely accurate, the auditors found specific, material misstatements or could not obtain sufficient evidence for certain transactions, often due to missing documentation or non-compliance with international accounting standards. Entities that received a

qualified opinion during the year under review include the Tanzania Cashewnut Board (CBT), Keko Pharmaceutical Industries, Tanzania Tea Board, Handeni Trunk Main Water Supply Authority, Kondoa Water Supply Authority, Kirumsa Community Water Supply Organisation, Kibaha Municipal Council, Msalala District Council, as well as political parties including the Civic United Front (CUF) and the National Reconstruction Alliance (NRA).

- **Adverse Opinion:** This is a highly negative outcome meaning the financial statements contain pervasive material misstatements, rendering them unreliable. The Tanzania Electrical, Mechanical and Services Agency (TEMESA) received an adverse opinion this year.
- **Disclaimer of Opinion:** This means the auditors could not obtain sufficient or appropriate evidence to verify the accounts or formulate an opinion. The Kyela–Kasumulu Water Supply and Sanitation Authority and the Mambawasa Community Organisation received a disclaimer of opinion this year.

The CAG emphasised that auditing is a continuous process where auditees are engaged throughout. This may include reviewing prior and post-reporting events in long-term projects, ensuring all findings rely on sufficient and appropriate evidence.

### **Implementation Status of Prior year Audit Recommendations**

In the reports, CAG raised concern about long outstanding recommendations lasting for periods of 7 to 20 years without being implemented which shows a persistent challenge in tracking implementation and a failure to address the root causes. The reports also indicate that only 36.7% of the 38,181 recommendations issued in previous years have been fully implemented. This situation reflects a culture of delayed accountability, which continues to place public resources at risk.

**These systemic weaknesses in enforcing accountability and addressing root causes are not abstract; they manifest concretely across key sectors, as evidenced by the summary of cross cutting and key audit findings presented below:**

In the **health sector**, weaknesses were noted in procurement, storage, and distribution of medicines and medical supplies, including expired stock, short shelf-life deliveries, and underutilised equipment due to planning and supply chain inefficiencies.

In the **education sector**, challenges include inadequate infrastructure, shortages of learning materials, weak regulatory oversight, and delays in completion of education projects, affecting access and quality of education services.

In the **water sector**, non-revenue water remains high at an average of 35%, driven by aging infrastructure, leakages, illegal connections, and weak monitoring systems, affecting financial sustainability and service delivery.

In the **energy sector**, challenges include project delays, cost overruns, weak contract enforcement, and rising debt levels, affecting operational efficiency and financial stability.

In **infrastructure development and Technical Audit Findings**, the technical audit of stadium infrastructure projects identified significant weaknesses in procurement, contract negotiation, and certification of works. The use of non-competitive procurement methods without adequate justification limited transparency and value for money. In addition, deficiencies in the negotiation process resulted in unjustified changes in scope and the inclusion of ineligible costs. These weaknesses point to non-compliance with procurement requirements and undermine efficiency, economy, and accountability in the use of public resources.

More broadly, infrastructure development including roads continues to face recurring challenges, such as delays in project completion, poor workmanship, and cost escalations. The audit also identified instances of payments made for incomplete or substandard works, largely driven by weak contract management and inadequate supervision. A key contributing factor is delayed or inadequate payments to contractors, which leads to project delays and contractual disputes.

### **Financial management and governance challenges**

The CAG reported persistent weaknesses including:

- Non-compliance with procurement laws and procedures

- Weak contract management and enforcement
- Ineffective internal control systems
- Weak revenue collection and management of receivables
- Continued dependence on government subsidies by some State-Owned entities

In **Local Government Authorities**, challenges include unbanked revenues, weak enforcement of collection systems, poor management of revenue agents, and delays in implementation of development projects.

In the **banking sector**, audit findings indicate challenges in loan management, financial stability, and oversight of financial institutions. These include irregular lending practices such as loans exceeding statutory limits, inadequate or missing collateral, and misuse of loan funds. In addition, there are cases where significantly delayed loans continue to be classified as performing, reflecting weaknesses in credit assessment and monitoring systems.

Furthermore, some banks face capital shortages, liquidity constraints, and increasing levels of non-performing loans, which pose risks to their financial sustainability and ability to support economic development.

### **ICT systems and public sector efficiency**

The audit identified weaknesses in ICT systems across the public sector, including limited integration between key government systems, duplication of platforms performing similar functions, and continued reliance on manual processes. In addition, instances were noted where entities did not utilize the Government's central financial management system (MUSE) without the required approvals. These practices undermine system standardization and compliance with established financial management frameworks.

Overall, these challenges reduce operational efficiency, compromise data reliability, and weaken accountability in service delivery.

## **Emerging Revenue Areas: Carbon Credits**

In emerging revenue areas, particularly carbon credit markets, the audit noted that while Tanzania has significant potential arising from its forest and mangrove resources, this opportunity has not yet been effectively realized. Many carbon projects have not been operationalized, and no meaningful revenues have been generated despite the availability of these resources. Weaknesses were also observed in contractual arrangements between the Government and private developers, including the absence of clear timelines, performance indicators, and payment structures.

Furthermore, gaps exist in monitoring and verification systems, with the Government largely relying on reports from developers without an independent verification mechanism. Overall, these weaknesses limit the Government's ability to fully benefit from carbon markets, reduce transparency in carbon trading, and affect the sustainability of environmental resource management.

## **Public investment and value for money**

Despite significant public investment in key sectors, expected outcomes are not always achieved due to weaknesses in planning, monitoring, and evaluation systems. In some cases, completed projects remain underutilised, limiting value for money.

## **Performance Audit Highlights**

Out of the 19 performance audit reports issued, key findings indicate that;

Access to legal aid services for vulnerable citizens remains concentrated in urban areas, limiting access for rural populations. In addition, elderly care services remain significantly under-resourced, with acute shortages of staff and facilities, affecting the quality of care provided.

In the area of food security, weaknesses were identified in grain reserve management, including inadequate stock levels, storage quality issues, and poor coordination in procurement. These shortcomings pose risks to price stability and food availability.

Furthermore, challenges were noted in occupational safety and health, including delays in processing workers' compensation claims, adversely affecting employees who suffer workplace injuries.

### **Positive developments**

The CAG noted positive progress, including:

- Improved financial reporting across public institutions
- High rate of unqualified audit opinions (99%)
- Strong domestic revenue performance exceeding 99% of targets

These improvements provide a foundation for further strengthening governance and accountability.

### **Summary of Recommendations**

Based on the analysis of the audit results, the reports provide several recommendations for improvement. The summary of the main recommendations is as follows:

- i. Strengthening the management of public projects and contracts to ensure that projects are implemented on time, meet the required quality standards, and are delivered within controlled costs, so as to avoid losses and inefficient use of public funds.
- ii. Strengthening accountability and internal control systems, particularly in financial reporting, resource management, and the implementation of audit recommendations.
- iii. Improving revenue collection systems and receivables management by enhancing the monitoring of debtors and ensuring that public institutions fulfill their obligations to settle invoices on time.
- iv. Enhancing the efficiency of public institutions and commercial entities by ensuring that investments generate value, reducing dependence on subsidies, and improving the management of operational costs.

- v. Strengthening the management of social service sectors, particularly health, education, and water, by ensuring that resources are used efficiently, infrastructure is completed on time, and services reach citizens as intended.
- vi. Strengthening the use and management of ICT systems by ensuring system integration, reducing duplication of functions, and enhancing the reliability of financial and operational data.
- vii. Strengthening systems for monitoring the implementation of audit recommendations.
- viii. Furthermore, it is important for all stakeholders within the accountability framework to fulfill their responsibilities in line with the principles of transparency, accountability, and institutional integrity, in order to improve Government performance and enhance public trust.

### **Public access to the reports**

These reports have been officially tabled in Parliament and are now on public domain. They can be easily accessed through:

- The **NAOT official website** ([www.nao.go.tz](http://www.nao.go.tz))
- NAOT official social media platforms, including **X (formerly Twitter), Facebook, and Instagram (@ukaguzitanzania)**
- Official government communication channels used for public dissemination of audit information

**Issued by:**

**National Audit Office**