

GOVERNMENT NOTICE No. 47 published on 6/3/2009

THE PUBLIC AUDIT REGULATIONS, 2009

TABLE OF CONTENTS

*Section*

*Title*

PART I

PRELIMINARY PROVISIONS

1. Citation.
2. Interpretation.
3. Awareness and conversance with regulations.

PART II

THE NATIONAL AUDIT OFFICE

4. Qualifications, tenure and powers of the Controller and Auditor General.
5. Variations from employment laws.
6. Annual and medium term human resources plan.
7. Considerations when making annual and medium term plans.
8. Medium term plan to be submitted to President's Office Public Service Management.
9. Disciplinary Authorities and Powers.
10. Disciplinary actions to be in compliance with the relevant laws.
11. Powers of appointing authority.
12. Notification of vacancies.
13. Promotion and filling of vacant posts.
14. Vacant post in respect of entry point.
15. Scheme of Service, Regulations and incentive package.
16. Appointment of Accounting Officer.
17. Professional Competence of Auditors.
18. Auditors not to portray expertise which they do not possess.
19. Auditors to attain and maintain professional competence.
20. Avoidance of Conflict of interest.
21. Instances of conflict of interests.

22. Immunity.
23. Common Seal of National Audit Office.

PART III  
CODES OF ETHICS

24. Public Servants Code of Ethics and Conduct.
25. National Audit Office Code of Ethics and Conduct.
26. National Audit Office employees/Public auditors' awareness.
27. National Audit Office Code of Ethics and Conduct to embody best professional practices.
28. Powers to revise National Audit Office Code of Ethics and Conduct.
29. Effect of breach of the Code of Ethics and Conduct.

PART IV  
POWERS OF THE CONTROLLER AND AUDITOR GENERAL

30. Mandate to authorize use of money from the Consolidated Fund
31. Authorization of public moneys from Consolidated Fund to comply with requirements of the laws.
32. Issuance of grant of credit and warranty.
33. Paymaster General to submit exchequer requisition.
34. Recommendations for better management of public moneys.
35. Nature of recommendations and proposals by Controller and Auditor General.
36. Purpose of recommendations and proposals.
37. Ministers to acknowledge receipt of recommendations and proposals.
38. Recommendations and proposals to be implemented within 3 months.
39. Ministers to give reasons for failure to implement recommendations and proposals.
40. Consequences of failure to communicate back.
41. Controller and auditor General can insist that the recommendations be implemented.
42. Failure to implement recommendations and proposals to be reported to President and National Assembly.
43. Powers to access and retain information.
44. Duty of secrecy or non- disclosure.
45. Disclosure of information is not a breach of any law.
46. Protecting secret information.



42. Failure to implement recommendations and proposals to be reported to President and National Assembly.
43. Powers to access and retain information.
44. Duty of secrecy or non- disclosure.
45. Disclosure of information is not a breach of any law.
46. Protecting secret information.
47. Information to be requested in writing.
48. Informant may claim reimbursement of expenses for providing information.
49. Informant claiming reimbursement to provide details of the claim.
50. Disbursements may be recovered from the entity to which the information relates.
51. Audits and other functions may be contracted out.
52. Advertisement for audits to be outsourced.
53. Criteria for contract audit.
54. Controller and Auditor General may request information even before starting the audit.
55. Other types of Audit
56. Pre- Audit of terminal benefit.
57. Charging of audit fees which reflect value of professional services.
58. Criteria of setting audit fees.
59. Reservation of powers and procedure to charge fees for contracted audits.
60. Mode of sharing fees for jointly done audit work.
61. Audit fees for contracted works to be paid direct to Controller and Auditor General.
62. Controller and Auditor General to retain administrative and review fees.
63. Controller and Auditor General to issue demand note for fees.
64. Basic contents of demand note for fees.
65. Audit fees to be paid as per demand note.
66. Powers to withhold audit report for nonpayment of fees.
67. Powers to charge fees should not compromise with independence of Controller and Auditor General.

74. Entrance and exit Meetings
75. Regularity Audit procedure.
76. Objectives of Performance audit.
77. Performance Audit Procedures.
78. Special Audit.
79. Decisions to Conduct Special Audit.
80. Scope of special Audit.
81. Reporting of special Audit.
82. Forensic Audit.
83. Engagement of forensic Audit.
84. Scope of Forensic audit.
85. Issuance of Forensic Audit Reports.

#### PART VI

##### AUDITS REPORTING MACHANISM

86. Management letter and deadline to repay.
87. Consolidation of individual reports into general report.
88. Submission of the General report to President.
89. Submission of general report to the National Assembly by the Controller and Auditor General.
90. Confidentiality of the General reports.
91. Submission of individual audit reports.

#### PART VII

##### PARLIAMENTY OVERSIGHT COMMITTEES

92. Parliamentary Oversight committees to discuss reports of Central Government, Local Government Authorities and public authorities
93. Accounting officers to respond to individual reports.
94. Copies of responses by Accounting Officers to be sent to Controller and Auditor General.
95. Unresolved audit findings to be addressed in the responses.
96. Parliamentary Oversight Committees to set timetable to discuss reports of the Controller and Auditor General.

#### PART VIII

##### FINANCE AND AUDITS OF NATIONAL AUDIT OFFICE

97. Sources of Funds for the National Audit Office.
98. Reputation of Bankers and tenants of National Audit Office.



99. National audit office not to have interests which may jeopardize its performance.
100. Responsibilities of the Accounting Officer.
101. Estimates of Revenue and Expenditure for National Audit Office.
102. Controller and Auditor General to organize the consultative meeting.
103. Technical staff to attend the consultative meeting.
104. Controller and Auditor General to consolidate the resolutions of the consultative meeting.
105. The Minister to submit estimates of National Audit Office to National Assembly as agreed.
106. Functions and Management of the Fund.
107. Accounts of the fund.
108. Payment from the accounts of the fund.
109. Accounting officer to manage the fund.
110. Duties of accounting officer in respect of the fund.
111. Audit of National Audit Office Accounts.
112. Controller and Auditor General to be given details of the auditor for National Audit Office.
113. Tenure of the auditor appointed to audit National Audit Office.
114. Costs for audit of National Audit Office.
115. Avoidance of conflict of interest.
116. Establishment of the Audit Committee.
117. Responsibilities of the Audit Committee.
118. Audit Committee to have access to Controller and Auditor General and Accounting Officer.
119. Representation in the meetings of the Audit Committee.
120. Internal Audit Unit.
121. Duties of the Internal Audit Unit.
122. Procedure to issue and revise the Regulations.

THE PUBLIC AUDIT ACT, 2008  
(No 11 OF 2008)

**REGULATIONS**

*Made under section 49*

THE PUBLIC AUDIT REGULATIONS, 2009

**PART I**

**PRELIMINARY PROVISIONS**

- |                         |   |
|-------------------------|---|
| Citation                | 1. These Regulations may be cited as the Public Audit Regulations, 2009.  |
| Interpre-<br>tation     | 2. In these Regulations unless the context otherwise requires -   |
| Cap 348                 | "Accountant General" means a person designated as such appointed by the President pursuant to the Public Finance Act;   |
|                         | "Accounting Officer" means any officer appointed in writing by the Paymaster General or by relevant laws and charged with the duty of accounting for any service in respect of which money have been appropriated by the National Assembly or any person to whom issues are made from the Consolidated Fund.; |
| Act<br>No.11 of<br>2008 | "Act" means the Public Audit Act, 2008;   |
|                         | "Appropriate Minister" means the Minister responsible for the audited entity;   |
|                         | "Appropriation Act" means any legislation enacted by Parliament to apply a sum out of the Consolidated Fund to finance Government expenditure;  |
|                         | "Audit standards" means standards issued by local and international audit and accounting professional bodies determined by the Controller and Auditor General to be applied in the conduct of his functions;  |
|                         | "Audited entity" or "auditee" means any person, Local Government Authority, body, agency, department, ministry, embassies or Missions and such other bodies or authorities in respect of which an audit has been done or is to be done by the Controller and Auditor General;                                 |
|                         | "Auditor", for the purpose of these Regulations means any National Audit Office employee whom the Controller and Auditor General appoints   |



- to perform audit functions on his behalf;
- "Authorized Auditor" means an Auditor or audit firm authorized by the Controller and Auditor General to carry out audit work on his behalf; and reference to "authorized auditor" shall also include appointed auditor, contracted auditor or engaged auditor where the context permits;
- "capital expenditure" has the meaning ascribed to it under the Public Finance Regulations and includes "development expenditure";
- "Chief Secretary" means the person designated as such, appointed by the President of the United Republic of Tanzania;
- "Code of Ethics" means a Code of Ethics and Conduct for the Public Service and shall include the relevant professional Codes of Ethics and the Public Service Leadership Codes of Ethics and Conduct;
- "Consolidated Fund" means the consolidated fund of the United Republic of Tanzania as stated in the Constitution of the United Republic of Tanzania of 1977;
- "day" means a working day;
- "employee" in relation to the National Audit Office, means a person who is employed by the office either in full time, part time or contractual terms and includes an employee who has been appointed by an authority other than the Controller and Auditor General to work in the National Audit Office;
- "financial year" means, in relation to-
- (a) a public authority or other body, the period specified by or under the relevant law or instrument relating to that authority or body or as shall be determined by a competent authority of that authority or body;
  - (b) Central and Local Government, period of twelve months ending on 30<sup>th</sup> June of each year;
- "Fund" means the Audit Revenue Fund referred to under the Act;
- "Individual report" means an individual report referred to under the provisions of Regulation 96 of these regulations;
- "Local Authority Accounts Committee" means a standing committee of the National Assembly established pursuant to the National Assembly Standing Orders which is, amongst other things, responsible to oversee financial accountability of the local authorities;
- "Minister" means the Minister responsible for matters relating to Finance;
- "Officer" means in relation to the National Audit Office, any employee of the office who is, under the management set-up of the office, categorized as such;

GN. No.  
132  
of 2001

"Parastatal Organisation Accounts Committee" means a standing committee of the National Assembly established pursuant to the National Assembly Standing Orders which is, amongst other things, responsible to oversee financial performance of the Parastatal Organisations in the country;

"Parliamentary Oversight Committees" means the standing Committees of the National Assembly established pursuant to the National Assembly Standing Orders which are, amongst other things, responsible to oversee financial accountability of the Government;

Cap 348 "Paymaster General" means the officer, designated as such in the Public Finance Act, vested with the powers to control the issue of public moneys to accounting officers;

"Public Accounts Committee" means a standing committee of the National Assembly, established pursuant to the National Assembly Standing Orders which is, amongst other things, responsible to oversee the financial performance of the Central Government accounts;

"Public Auditor" means an auditor or audit firm engaged by the Controller and Auditor General to audit on his behalf, public sector entities including Ministries, Independent Departments, Agencies and Local Government Authorities;

"Public body or public authority" means

- (a) any ministry, department or agency of government;
- (b) any body corporate or statutory body or authority established for the purposes of the Government;
- Cap 212 (c) any company registered under the Companies Act being a company in which the Government or an agency of the Government, is in the position to influence the policy of the company;
- (d) any local government authority;
- (e) any parastatal organisation;
- (f) any public project/programme; and
- (g) any organization or body which may cause a liability to the Government

"Public moneys" include:-

- (a) the public revenues of the United Republic of Tanzania;
- (b) any trust or other money held, whether temporarily or otherwise, by an officer in his official capacity, either alone or jointly with any other person, whether an officer or not;

"Speaker" means the Speaker of the National Assembly of the United Republic of Tanzania; and



"Supplementary Appropriation Act" means any legislation enacted for the purpose of supplementing the appropriation already approved by an Appropriation Act.

3. The Controller and Auditor General shall ensure that all the employees of the National Audit Office and members of Parliamentary Oversight Committees and stakeholders have access to these Regulations.

Awareness  
and  
Conver-  
sance with  
Regula-  
tions

## PART II

### THE NATIONAL AUDIT OFFICE

4-(1) The Controller and Auditor General appointed under Article 143 of the Constitution shall possess relevant professional qualifications, experience and leadership skills suitable for appointment to the post which shall include-

Qualifica-  
tions,  
tenure and  
powers of  
Controller  
and  
Auditor  
General

- (a) being a Certified Public Accountant or equivalent qualifications; and
- (b) having a professional working experience of at least 10 years in the relevant field;

(2) Subject to the provisions of this Regulations, a person appointed as the Controller and Auditor General shall be eligible to serve the office for a term specified under section 6 of the Act:

Provided that after the expiry of the first term he shall be eligible for a renewal of a further term of 5 years unless-

- (a) he becomes subject of investigation in terms of article 144(3) of the Constitution; or
- (b) he attains the retirement age of 65 years; or
- (c) he becomes incapable of discharging his duties on account of medical grounds.

(3) Where the Controller and Auditor General is not disqualified from the renewal of his term of service on the grounds contained in sub regulation (2) above, he shall be eligible to a renewal of his service and any decision not to renew his service shall follow the same procedure as that contained in Article 144 of the Constitution regarding his removal from the office.

(4) The Controller and Auditor General shall employ, appoint, promote and control discipline of such number and categories of officers and employees of such qualification as he may consider necessary to assist in the performance of his functions, carrying on responsibilities and the exercise of his powers.

Variations  
from  
employ-  
ment laws

5.—In discharging the duties and exercising the powers under Regulation 4, the Controller and Auditor General shall, with necessary variations, be guided by the laws governing employment in the public service.

Annual  
and  
medium  
term  
human  
resources  
plan

6. The Controller and Auditor General shall cause to be formulated by his office annual and medium term human resources development plans which shall guide the office in dealing with the employment matters of the National Audit Office.

Consider-  
ations  
when  
making  
annual  
and  
medium  
term  
plans

7. In developing the annual and Medium term human resources development plans, the Controller and Auditor General shall -

- (a) make an assessment of future human resource requirements basing on future tasks to be performed;
- (b) consider skills and competence needed to perform such tasks; and
- (c) having regard to the resources available.

Medium  
term plan  
to be  
submitted  
to Public  
service  
Manage-  
ment

8. The Controller and Auditor General shall present the Medium term human resources development plan to the Public Service Management for guidance.

Discipli-  
nary  
authori-  
ties and  
Powers

9.—(1) The Controller and Auditor General shall be the disciplinary authority of the National Audit Office employees, other than those appointed by the President:

Provided that in the discharge of this function, the Controller and Auditor General shall work in harmony with the relevant organs established for such purpose in the National Audit Office.



(2) In case of employees in the operational services, the disciplinary authority shall be Heads of Departments or Divisions:

Provided that in the discharge of this function the Heads of Departments or Divisions shall work in harmony with the relevant organs established for such purpose in the National Audit Office.

10. In instituting disciplinary proceedings or taking disciplinary actions against the National Audit Office employees, the disciplinary authority shall be guided by relevant laws, rules, policies and regulations governing employment of public servants in the country.

Disciplinary  
actions to  
be in  
compliance with  
the  
relevant  
laws

11. The Controller and Auditor General shall appoint, confirm or promote the National Audit Office employees except those in respect of whom the Controller and Auditor General is not the appointing authority.

Powers of  
appointing  
authority

12. Where a vacancy occurs or it is likely that a vacancy may occur, the Controller and Auditor General shall notify the Permanent Secretary (Establishment) of the existence or likely existence of a vacancy, specifying the necessary requirements for such vacancy.

Notification of  
vacancies

13.-(1) Where a vacant post occurs at the National Audit Office such post shall be filled by a suitable employee in the public service and in the absence of such employee consideration shall be given to a suitable person outside the service.

Promotion and  
filling of  
vacant  
posts

(2) Every promotion under sub regulation (1) shall be made by considering—

- (a) performance and efficiency to perform and execute the duties by an employee;
- (b) career development and succession plan;
- (c) seniority amongst the employees; and
- (d) the Scheme of Service.

14.-(1) For the purpose of filling any vacant post in respect of entry point at the National Audit Office, the post shall be advertised and interview shall be conducted to suitable candidates.

Vacant  
post in  
respect of  
entry  
point

(2) The vacant post in respect of entry point under sub regulation (1) shall be invited by public advertisement in the United Republic of Tanzania in such manner as may be determined by the Controller and Auditor General:

Provided that such advertisement is not discriminative based on gender and disability.

(3) In order to ensure that selection of candidates in the post under sub regulation (1) is based on merit through open competition, the Controller and Auditor General shall appoint *ad hoc* committee to interview the candidates.

(4) Members of the *ad hoc* Committee shall be from within the National Audit Office and shall consist of both women and men;

(5) The *ad hoc* Committee may co-opt members from outside.

(6) During the interview, candidates having the same degree of preference, qualifications and experience, proved merit and suitability for the posts in question shall be accorded greater weight than seniority:

Provided that where the respective candidates are men and women priority shall be given to women.

(7) Where any person is first appointed to the National Audit Office on pensionable terms, he shall serve probationary period, depending on the scheme of service for a term not exceed twelve months.

(8) Notwithstanding anything contained in this Regulations, the selected candidate shall, before being appointed into public service, undergo vetting and medical examination to prove his suitability and medical fitness or otherwise.

(9) Every public servant of the National Audit Office shall be required to accept and assume duties at any place where he has been posted by the Controller and Auditor General.

Scheme of  
Service  
Regula-  
tions and  
incentive  
package

15.-(1) The Controller and Auditor General shall prepare a scheme of service, staff regulations and an incentive package for the staff of the National Audit Office.

(2) The Scheme of Service, referred to in sub regulation (1) shall be subject for discussion and recommendations by the National Audit Office



Workers' Council for submission to Permanent Secretary (Establishment) for guidance and onward submission to the National workers' Council for approval.

(3) The staff regulations and incentive package referred to in sub regulation (1) shall be subjected for discussion and recommendation by the National Audit Office Workers' Council for onward submission to the Permanent Secretary (Establishment) for guidance.

16.-(1) There shall be an Accounting Officer for the National Audit Office appointed pursuant to section 42 of the Act.

Appoint-  
ment of  
Account-  
ing  
Officer.

(2) The Accounting Officer shall be a senior officer in the National Audit Office other than the Controller and Auditor General.

(3) In the appointment of the Accounting Officer, the Paymaster General shall consult the Controller and Auditor General.

17. The Auditors shall possess the professional knowledge and skills commensurate with the audit work they engage in.

Profes-  
sional  
Compe-  
tence of  
Auditors

18. In discharging their duties, Auditors shall -

(a) not portray themselves as having an expertise that they do not possess; or

(b) adopt a programme designed to ensure high quality audits.

Auditors  
not to  
portray  
expertise  
which  
they don't  
possess

19.-(1) The Auditors shall be required to attain and maintain professional knowledge and skills required to display professional competence.

Auditors  
to attain  
and  
maintain  
profes-  
sional  
compe-  
tence

(2) The attainment of professional competence requires a high standard of general education in a recognized institution followed by specific education, training and examination in a professionally relevant subject.

(3) The maintenance of professional competence involves continued awareness of developments in the auditing profession including relevant national and international pronouncements on accounting, auditing and

on relevant statutory requirements and regulations or rules issued by competent bodies governing the profession.

Avoid-  
ance of  
Conflict  
of interest

20. The officers of the National Audit Office and Public Auditors shall avoid conflict of interest in handling audit matters.

Instances  
of  
conflict  
of interest

21.-(1) The instances of conflict of interest to be avoided under regulation 20 shall include, but shall not be limited to-

- (a) relationships or interests that adversely influence, impair or threaten a professional auditor's integrity;
- (b) an act that is contrary to technical or professional audit standards;
- (c) divided loyalty between the professional auditor's superior and the required professional standards of conduct; or
- (d) published misleading information which may be to the advantage or disadvantage of the employer or client and which may or may not benefit the officer or public auditor.

(2) The staff of National Audit of Tanzania shall report to the Controller and Auditor General on any commitments or relationships that may interfere or jeopardize their integrity as independent auditors.

(3) The Controller and Auditor General shall establish and maintain conflict of interest register.

Immunity

22.-(1) No action or other proceedings shall lie against the Controller and Auditor General or any public auditor, audit firm or expert authorized by him, for or in respect of, findings of any audit examination or inspection carried out by him in good faith in the exercise or purported exercise of powers under the Act and these regulations.

(2) the immunity stated under sub regulation (1) shall be available to the persons referred to thereunder, where in the performance of their stated functions, the same are -

- (a) exercised in good faith;
- (b) conducted professionally; and



(c) done while the persons doing them observe all standards of auditing and Code of Ethics applicable to the National Audit Office.

(3) This regulation shall not restrict the powers of a court of competent jurisdiction to interpret when a function has or has not been done in good faith, professionally and ethically based on the facts before it.

23. (1) The Common seal of the National Audit Office shall be under the Authority of the Controller and Auditor General.

Common  
Seal of  
National  
Audit  
Office

(2) The Common seal shall be used on authority of the Controller and Auditor General in respect of -

(a) official documents originating from the National Audit Office; and

(b) any other official use which the Controller and Auditor General may deem fit.

### PART III

#### CODES OF ETHICS

24. The Code of Ethics and Conduct for Public Servants shall be applicable to all employees of the National Audit Office.

Public  
Servants  
Code of  
Ethics

25. Notwithstanding regulation 24, the Controller and Auditor General shall issue Code of Ethics and Conduct for the National Audit Office employees, which shall take into account the Code of Ethics and Conduct issued by the Public Service Management and relevant professional bodies.

National  
Audit  
Office  
Code of  
ethics and  
conduct

26. Copies of the Codes of Ethics and Conduct referred to under regulations 24 and 25 shall be provided to every employee of the National Audit Office and Public Auditors to whom the particular Code of Ethics and Conduct applies.

National  
Audit  
employee/  
Public  
auditors  
awareness

27. The National Audit Office Code of Ethics and Conduct issued under these Regulations shall, apart from other things, embody what appears to the Controller and Auditor General to be the best professional practice for the National Audit Office with respect to the standards, procedures and techniques to be adopted by auditors.

National  
Audit  
Office  
Code of  
ethics and  
conduct  
to  
embody  
best  
profes-  
sional  
practices

G.N. No. 47 (contd.)

Powers to  
revise  
National  
Audit  
Office  
Code of  
Ethics and  
Conduct

28. The Controller and Auditor General may from time to time revise the National Audit Office Code of Ethics and Conduct issued under these Regulations, and the provisions of these regulations shall similarly apply to such revised code.

Effect of  
breach of  
the code  
of ethics  
and  
Conduct.

29. The employees of the National Audit Office and Public Auditors shall comply with the provisions of the relevant Codes of Ethics and Conduct referred to under regulations 24 and 25 and breach of which shall result into disciplinary action or criminal prosecution.

#### PART IV

##### POWERS OF THE CONTROLLER AND AUDITOR GENERAL

Mandate  
to  
authorize  
use of  
money  
from  
Consoli-  
dated  
Fund  
Act No.  
11 of  
2008

30. The Controller and Auditor General shall have mandate to authorize the use of public moneys to be paid out of the Consolidated Fund according to Section 5 of the Public Audit Act and any other relevant written law.

Authori-  
zation of  
money  
from  
Consoli-  
dated  
Fund to  
comply  
with  
require-  
ments of  
the laws

31. Before authorizing the use of public moneys from the Consolidated Fund, the Controller and Auditor General shall be satisfied that such public moneys is for—

- (a) the purpose of expenditure which has been authorized to be charged upon the Consolidated Fund by the Constitution or any other relevant law; or
- (b) expenditure which has been authorized by Appropriation Act or Supplementary Appropriation Act enacted by the Parliament.

Issuance  
of grant  
credit and  
warranty

32. In authorizing the use of public moneys from the Consolidated Fund, the Controller and Auditor General shall issue a grant of credit to the Paymaster General sufficient to cover the sum intended to be used from the Consolidated Fund.

Paymas-  
ter  
General to  
submit  
exchequer  
requisition

33. Before the Controller and Auditor General authorizes withdrawal of public moneys from the Consolidated Fund in the manner stipulated in these Regulations, the Paymaster General shall have submitted to the



Controller and Auditor General an exchequer requisition showing details how the amount requested has been arrived at.

34. The Controller and Auditor General shall have powers to make recommendations and submit proposals to the Minister or an appropriate Minister as he considers necessary for the better management of public moneys, stores, securities stamps and other properties.

Recommendations for better management of public moneys

35. The recommendations and proposals referred to in regulation 34 may include, but shall not be limited to, revision of any regulations, directives or instructions issued under relevant laws.

Nature of recommendations and proposals by Controller and Auditor General

36. The purposes for which the Controller and Auditor General may make recommendations and proposals under these Regulations shall be—

Purpose of recommendations and proposals

- (i) preventing or minimizing unproductive expenditure of public moneys;
- (ii) maximizing the collection of public revenues; and
- (iii) averting loss by negligence, carelessness, theft, dishonesty, fraud, or corruption relating to public moneys and resources.

37. When the Controller and Auditor General makes recommendations and proposals under regulation 34, the Minister or the Appropriate Minister to whom such recommendations have been made, shall officially acknowledge in writing to have received the same.

Ministers to acknowledge receipt of recommendations and proposals

38. Upon receipt of the recommendations and proposals under regulation 34, the Minister or Appropriate Minister, as the case may be, shall communicate back in writing to the Controller and Auditor General within the period of three months from the date of receiving the recommendations and proposals, explaining the extent to which the recommendations and proposals have been implemented, and if partial implemented, the extent that remains unimplemented and the projected

Recommendations and proposals to be implemented within 3 months

time within which the unimplemented part of the recommendations and or proposals shall be implemented.

Ministers to give reasons for failure to implement recommendations and proposals

39. Where the Minister or Appropriate Minister fails to implement wholly or partly the recommendations and proposals submitted by the Controller and Auditor General under these Regulations, he shall, within three months from the date of receipt of the same, communicate back in writing to the Controller and Auditor General, the reasons and grounds for such failure.

Consequences of failure to communicate back

40. Where the Minister or Appropriate Minister delays or fails to communicate back to the Controller and Auditor General, in the manner prescribed under regulation 38, he shall be deemed to have failed to implement the recommendations and proposals without any reason.

Controller and Auditor General can insist that the recommendations be implemented

41. Where the Controller and Auditor General is of the opinion that the Minister or Appropriate Minister has failed to implement the recommendations and proposals without reasonable cause, or without any reason, he shall write to the Minister or Appropriate Minister insisting that the recommendations and proposals be implemented.

Failure to implement recommendations and proposals to be reported to the President

42. Where the Minister or Appropriate Minister after being insisted by the Controller and Auditor General to implement the recommendations and proposals, still fails to implement the recommendation without reasonable cause, the Controller and Auditor General shall report the matter to the President who shall cause it to be submitted to the National Assembly.

Powers to access and retain information

43. The Controller and Auditor General shall have unrestricted powers to access and retain information from any person, authority or body when in his opinion such information is necessary for the performance of his functions.



44. A person, authority or body required in terms of any legislation or any law applicable to maintain secrecy or confidentiality, or not to disclose information relating to a matter, may be required by the Controller and Auditor General to disclose to him such information.

Duty of  
secrecy or  
non-  
disclosure

45. For avoidance of doubt it is hereby stipulated that compliance with the requirement of regulation 44 is not a breach of any applicable law imposing the relevant obligation of secrecy or confidentiality or non disclosure.

Disclosure  
of  
informa-  
tion is  
not a  
breach of  
any law

46. (1) The Controller and Auditor General shall take precautionary steps to guard against the disclosure of confidential or secret information obtained under these Regulations:

Protect-  
ing the  
secret  
informa-  
tion  
obtained

Provided that such precautionary steps shall not prevent the disclosure of any audit finding by the Controller and Auditor General or any authorized Auditor on any unauthorized expenditure, irregular expenditure or wasteful expenditure or any other irregular or criminal conduct relating to the financial affairs of any auditee.

(2) An authorized auditor referred to in sub-regulation (1) shall not be compelled to disclose information obtained in the course of official duties in any proceedings in a court in civil or criminal matter or in any other body or institution established by laws, unless the Controller and Auditor General is a party.

47. Where the Controller and Auditor General requires any information from any person, authority or body pursuant to this Regulations, the Controller and Auditor General shall inform in writing to such person, authority or body, the precise nature of the information required and the date and place where that person, authority or body shall deliver or make available the information for access and retention by the Controller and Auditor General.

Informa-  
tion to be  
requested  
in writing

48. Where in providing the information required by the Controller and Auditor General entails some expenses upon the requested person, who is or is not a member, employee or office holder of a public authority or body upon providing the information as required, such person may apply to the Controller and Auditor General to be reimbursed reasonable expenses incurred by him.

Informant  
may claim  
reimburse-  
ment of  
expenses  
for  
providing  
informa-  
tion

G.N. No. 47 (contd.)

Informant claiming reimbursement to provide details of the claim

49.-(1) Where a person makes application to the Controller and Auditor General for reimbursement of any reasonable expenses under regulation 48, he shall furnish the Controller and Auditor General with sufficient details and evidence upon which the claim for reimbursement is found and based.

(2) Upon receiving the claim for reimbursement from the claimant under this Regulations, the Controller and Auditor General may reimburse such person the reasonable expenses incurred by him after satisfying himself that-

- (i) the claim is reasonable and is supported with relevant details and sufficient evidence; and
- (ii) the claim has been made *bonafide* and reflects the reasonable expenses which reasonably must have been incurred by that person in order for that person to provide the information.

Disbursements may be recovered from the entity to which the information relates

50. Where the Controller and Auditor General reimburses a person his reasonable expenses incurred for providing the information requested by the Controller and Auditor General, the Controller and Auditor General may recover the costs and disbursements from the person, authority or body to which the information relates.

Audits and other functions may be contracted out

51. The Controller and Auditor General may contract, engage, appoint or authorize eligible auditors or audit firms or other experts to carry out audit or other functions on his behalf:

Provided that where the contracted or authorized function is auditing, the expert or experts to whom the function is contracted or authorized shall be qualified to practice as public auditors under the relevant laws of Tanzania.

Advertisement for audits to be outsourced.

52.-(1) In exercising the powers contained under regulation 51, the Controller and Auditor General shall-

- (a) once in a year advertise for the audits to be out-sourced;
- (b) invite expression of interest from audit firms interested in conducting such audits;



- (c) pre-qualify and shortlist the competent audit firms;
- (d) call for tenders from the short-listed bidders; and
- (e) received tenders which may be processed in accordance with applicable procurement laws.

53. In determining whether an audit may be performed by the office of the Controller and Auditor General itself or be contracted out to Public Auditors and whether it is to be contracted out fully or in part, the Controller and Auditor General shall be guided by one or more of the following factors-

Criteria  
for  
Contract-  
ing audit  
Functions.

- (a) availability of manpower within the National Audit Office;
- (b) availability of skills and expertise within the National audit office;
- (c) the magnitude and complexity of the audit work;
- (d) specific agreement which either the auditor or auditee has with development partners;
- (e) nature and sensitivity of the audit assignment or the authority or body to be audited;
- (f) the private sector participation policy; or
- (g) any other relevant factor as the Controller and Auditor General may deem fit.

54. For the purpose of determining the factors referred to under paragraphs(c) and (e) of regulation 53, the Controller and Auditor General, before engaging in any audit work, may require a person, authority or body to make available to him any documents or information which he considers necessary for making the relevant considerations.

Controller  
and  
Auditor  
General  
may  
request  
informa-  
tion even  
before  
starting  
the audit

55.-(1) The Controller and Auditor General, where he deems fit, may undertake any other type of audits.

Other  
types of  
audits

(2) The Controller and Auditor General shall determine the scope and extent of the examination or inspection of the accounts or any other audit of each auditee under the Act and these Regulations.

G.N. No. 47 (contd.)

Pre-audit of terminal benefits 56. (1) The Controller and Auditor General shall conduct pre-audit of all terminal benefits payable from the Consolidated fund.

(2) In conducting audit under sub regulation (1) the Controller and Auditor General shall audit for compliance with all relevant Acts, Regulations and policies governing payment of terminal benefits.

Charging of audit fees which reflect value of professional services 57. (1) The Controller and Auditor General may charge fees to any authority or body audited under the Act except for audits of Local Government Authorities, Ministries, Departments and Agencies whose audit costs shall be borne through appropriation.

(2) The fees chargeable under sub-regulation (1) above will be professional fees which fairly reflect the value of the professional services performed for the client as stipulated in the engagement letter to be signed by the auditee.

Criteria of setting audit fees 58. In charging the fees pursuant to regulation 57, the Controller and Auditor General shall have regard to -

- (a) the nature and extent of the services provided;
- (b) the requirements of auditing standards for the time being recognized and applied by the Controller and Auditor General;
- (c) the qualification and experience of the persons necessarily engaged in providing the services;
- (d) the time to be spent by each person engaged in performing the professional services;
- (e) the degree of responsibilities that performing those services entails;
- (f) the rates prevailing in the market:

Provided that the Controller and Auditor General shall not be bound to consider the market rates in some cases which he deems fit: and

- (g) any other relevant matters as the Controller and Auditor General may deem fit.

Reservation of powers and procedure to charge fees for contracted audits 59. (1) When the Controller and Auditor General contracts out the auditing works or engages any other audit firm to carry out the task on his behalf, the Controller and Auditor General shall charge a ten percent of the quoted audit fee to cover administrative and quality review costs.



(2) Where the Controller and Auditor General decides to charge fees pursuant to sub-regulation (1), he shall follow the procedure and criteria contained in the relevant guidelines or manuals applicable to the National Audit Office, and in particular the following procedure may be followed

- (a) the appointed Auditor shall be required to submit a financial proposal to the Controller and Auditor General, which shall be subject to negotiation, in view of the chargeable work, fees sharing and complexity of the audit assignment;
- (b) the financial proposal thus submitted shall state, *inter alia* -
  - (i) the breakdown of the proposed fees;
  - (ii) description and scope of the projected work; and
  - (iii) the proposed time span of accomplishing the work.

60. Where the contracted out work done jointly between the Controller and Auditor General and the appointed auditor, the Controller and Auditor General and that appointed auditor shall agree on the manner of sharing the audit fees between them having regard to, *inter alia* -

Mode of sharing fees for jointly done audit work

- (a) the extent of work done by each party;
- (b) the time, qualifications and involvement of each in conducting of the audit works; and
- (c) any other factor stated in the relevant guidelines for the time being applied in the office of the Controller and Auditor General.

61. The authority or body audited by the appointed Auditor shall pay all the audit fees in respect of the services directly to the Controller and Auditor General.

Audit fees for contracted works to be paid direct to Controller and Auditor General

62. Upon receipt of the fees from the audited entity or body, the Controller and Auditor General shall pay the appointed Auditor according to the terms of agreement entered into between the audited entity or body and the Controller and Auditor General shall retain the administrative and review fees.

Controller and Auditor General to retain administrative and review fees

G.N. No. 47 (contd.)

Controller and Auditor General to issue demand note for fees

63. When the Controller and Auditor General decides to charge fees pursuant to these Regulations for the services rendered to any authority or body, the Controller and Auditor General shall cause to be issued to that audited entity or body a demand note for the fees.

Basic contents of demand note for fees

64. The demand note for fees issued by the Controller and Auditor General may, *inter alia*, contain the following -

- (a) reference to the audit work in respect of which the fees are demanded;
- (b) statement as to whether and when the audit was completed and final report issued:

Provided that a demand note may legally be issued to the auditee before completion of the audit;

- (c) the amount which is being demanded under the demand note and the analysis thereof;
- (d) whether payment can be done in full or installments, and incase the sum is payable in installments, the mode that such installments may be paid and the due dates for each.

Audit fees to be paid as per demand note.

65. Upon receipt of the demand note for fees from the Controller and Auditor General, the audited entity or body shall pay the fees within the period stipulated in the demand note.

Powers to withhold audit report for non payment of fees

66. Where the audited entity or body fails to pay audit fees on demand, the Controller and Auditor General reserves the rights to withhold the audit report until the fees are paid either in full or in part as the Controller and Auditor General may determine.

Powers to charge fees should not compromise with independence of Controller and Auditor General

67. For avoidance of doubt, it is hereby stipulated that the powers of the Controller and Auditor General to charge fees to any person, authority, entity or body for services rendered shall be exercised in such a way that does not compromise the role, independence and integrity of the Controller and Auditor General.



## PART V

TYPES, NATURE, TIMING AND EXTENT OF AUDITS CONDUCTED BY  
CONTROLLER AND AUDITOR GENERAL

68. The Controller and Auditor General shall, at least once a year carry out regularity audit to all Ministries, Independent Departments, Local Government Authorities, Agencies, Public Authorities and other bodies with a view to provide for a professional opinion on the financial statements of those entities as to whether or not they represent a true and fair view.

Regularity  
audit

69.—(1) The Auditor shall conduct regularity audit procedures in accordance with International Organizations of Supreme Audit Institutions, International Standard on Auditing and any other standards as the Controller and Auditor General may determine from time to time.

Regularity  
Audit  
proce-  
dures

(2) In conducting regularity audit referred to under sub-regulation (1), the Auditor shall follow procedures included in the regularity audit manual of the National Audit Office, which shall comprise, but not limited to, the following-

- (a) understanding the auditee and its environment including evaluation of systems and internal controls;
- (b) reviewing the auditee's compliance with relevant laws, regulations, policies and other guidelines applicable to the audited entity;
- (c) performing analytical procedures and detailed substantive tests; and
- (d) performing audit on procurement of goods, works and services as to whether they conform to the requirements of the Public Procurement Act and its Regulations;

Cap.410

70. Where the audited entity or body has subsidiaries, each subsidiary shall be audited as a separate authority or body but a single consolidated report shall be issued in respect of all such subsidiaries constituting the authority or body.

Subsidiar-  
ies to be  
audited  
separately

G.N. No. 47 (contd.)

Preparation and Submission of Financial Statements

71.-(1) Accounting Officers shall prepare and submit financial statements to the Controller and Auditor General within three months after the closure of the respective financial year.

(2) The Accountant General shall prepare and submit consolidated financial statements to the Controller and Auditor General within a period of four months after the end of each financial year.

Letter of engagement and representation

72.-(1) The Controller and Auditor General may prepare an engagement letter before commencement of audit to be countersigned by Accounting Officer within seven days from the date of receipt.

(2) Every Accounting Officer shall prepare a letter of representation asserting on the financial statements and submit to the Controller and Auditor General along with the financial statements.

Overall audit strategy

73.-(1) The Controller and Auditor General shall develop an overall audit strategy and detailed audit plan which includes nature, timing and extent of audit procedures to be performed.

(2) In preparing the audit strategy and plan referred to under sub regulation (1), the Controller and Auditor General may take into consideration views of the Accounting Officer.

Entrance and Exit Meetings

74.-(1) The Controller and Auditor General shall convene entrance and exit meetings with the Accounting Officers to discuss the objectives and outcomes of audit respectively.

(2) Matters discussed in the entrance and exit meetings shall be documented and Accounting Officers shall respond on audit findings in writing within twenty one days from the date of receipt of the report.

Performance Audit

75.-(1) The Controller and Auditor General shall carry out performance audit by deploying qualified and independent professionals who will use standards and procedures in the Implementation Guidelines for Performance Audit by INTOSAI and the Performance Audit Manual of the National Audit Office.

(2) The performance audit under sub regulation (1) shall be conducted in two main stages, pre-study and main study.



- |   |  |
|---|--|
| <p>76. The Controller and Auditor General may conduct performance audit where he intends to -</p> <ul style="list-style-type: none"> <li>(a) provide independent information, advice and assurance about the economy, efficiency and effectiveness in a major field of revenue, expenditure and management of resources of the audited entity; and</li> <li>(b) identify appropriate ways of improving financial control and value for money and to encourage audited bodies to take action where improvements are necessary and cost effective.</li> </ul>   | <p>Objectives of performance audit</p> |
| <p>77.-(1) In conducting the performance audit the controller and Auditor General shall-</p> <ul style="list-style-type: none"> <li>(a) identify auditable areas using problem indicators which reflect public concern;</li> <li>(b) prepare and submit engagement letter to the audited entity before the audit commences in order to explain the nature, timing and objectives of the audit;</li> <li>(c) conduct a pre- study to establish audit objectives, scope and criteria for the assessment of the performance.</li> <li>(d) convene entrance and exit meeting with the auditee to discuss objectives and outcome of the audit respectively.</li> </ul> <p>(2) Upon completion of pre study, the Controller and Auditor General may decide to carry on with the main study where -</p> <ul style="list-style-type: none"> <li>(a) the audit problem is relevant;</li> <li>(b) there is a possibility of carrying out the main study; and</li> <li>(c) there is potential for change or improvement.</li> </ul> <p>(3) The audited entity shall-</p> <ul style="list-style-type: none"> <li>(a) upon receipt of the engagement letter within seven days, respond to the Controller and Auditor General and the Controller and Auditor General may consider views of the auditee, <i>inter alia</i> regarding the appropriate time for the commencement of the audit;</li> <li>(b) make available all information requested by the Controller and Auditor General to enable him carry out the audit.</li> </ul> | <p>Performance audit procedures</p>    |

## Public Audit

G.N. No. 47 (contd.)

(4) On completion of the main study the Controller and Auditor General shall issue a draft audit report to be responded to by the audited entity within twenty one days.

(5) The Audited entity shall implement the audit recommendations and the Controller and Auditor General, may make a follow-up to establish the extent at which recommendations have been implemented.

Special  
audits

78. The Controller and Auditor General may cause to be conducted a special audit in respect of accounts of any public authority or institution, Ministry, Independent Department, Agency, Local Government Authority and such any other body.

Decision  
to  
conduct  
special  
audits

79.-(1) A special audit may be conducted where an Accounting Officer or any person, institution, Public Authority, Ministry, Independent Department, Agency, Local Government Authority and such any other body, requests in writing to the Controller and Auditor General:

Provided that, the Controller and Auditor General shall not be bound to accept such a request.

(2) Where the Controller and Auditor General accepts to conduct such special audits, it shall be the responsibility of the auditee to meet the related costs.

Scope of  
special  
audits

80.-(1) The scope of special audit performed pursuant to sub regulation (1) of regulation 79 shall be determined by the person requesting the special audit.

(2) Notwithstanding the provision of sub-regulation (1), the Controller and Auditor General may modify the scope of the audit as he shall deem necessary.

Reporting  
of special  
audits

81. Upon completion of the special audit, the Controller and Auditor General shall issue a report in the following manner -

- (a) where an Accounting Officer or any person, institution, public authorities, Ministries, Independent departments, agencies, local authorities and such other bodies, requests in writing the Controller and Auditor General to undertake special audit, the report shall be submitted to the person or body which



requested or any other authority as the Controller and Auditor General may consider appropriate;

- (b) where the Controller and Auditor General on his own motion, decides to conduct a special audit, the report shall be submitted to the President of the United Republic of Tanzania and through him to the National Assembly; and
- (c) where the President does not submit the report to the National Assembly in respect of paragraph (b) within 7 days of the next sitting of the National Assembly, the Controller and Auditor General shall submit the report to the Speaker of the National Assembly within fourteen days of the sitting of the National Assembly.

82. The Controller and Auditor General, where applicable, may perform a forensic audit to any of the Ministries, Independent Departments, Agencies, Local Government, Public Authorities and other bodies.

Forensic  
Audits

83. Upon notification by an Officer of the National Audit Office on suspicion of fraud, and upon his being fully satisfied that it is probable that the fraud might have occurred with regard to the accounts of any entity audited by the Controller and Auditor General, the Controller and Auditor General shall order forensic audit to be conducted by initiating a new audit engagement on the audited entity.

Engage-  
ment of  
forensic  
audits

84. The nature, timing and scope of the forensic audits shall be determined by the Controller and Auditor General regardless of whether the audit engagement has been initiated on his own motion or upon request by the auditee.

Scope of  
forensic  
audit

85. Upon completion of the forensic audit, the Controller and Auditor General shall issue a report in accordance with Regulation 83(ii) and (iii) of these Regulations.

Issuance  
of  
forensic  
audit  
reports

## PART VI

### AUDITS REPORTING MECHANISM •

86.-(1) In the course of the audit, the Controller and Auditor General shall compile the findings and prepare a management letter and submit the same to the management of the audited entity.

Manage-  
ment  
letter and  
deadline  
to reply.

(2) On receipt of the management letter, the management of the audited entity shall provide responses on the audit observations and submit the same to the Controller and Auditor General within twenty one days from the date of receipt of the management letter.

(3) In case of failure by the management of the audited entity to respond to the management letter referred under sub-regulation (2), the Controller and Auditor General shall compile his final report of the findings which shall include the matters raised in the management letter.

87 Upon completion of statutory audits, the Controller and Auditor General shall prepare individual audit reports which may be consolidated into general audit reports.

Consolidation of individual reports into General Audit reports

88. The general audit reports referred to in regulation 87 shall be submitted by the Controller and Auditor General to the President by 31<sup>st</sup> March each year and shall be laid by the Minister or appropriate Minister to the National Assembly within 7 days of the next sitting of the National Assembly.

Submission of the General audit reports

89 Where the Minister or appropriate Minister fails to lay the general audit reports referred to in regulation 88 before the next National Assembly within the prescribed time, the Controller and Auditor General, shall submit copies of the general audit reports to the Speaker for onward transmission to the National Assembly within fourteen days from the start of the next session of the National Assembly.

Submission of the general audit reports to the National Assembly by the Controller and Auditor General

90. The general audit reports referred to in these Regulations shall become public documents after being laid before the National Assembly.

Confidentiality of the General audit reports



91.-(1) The individual audit reports for public authorities and other bodies shall be submitted to the Chairman of the Board of Directors immediately after the audit is concluded.

Submis-  
sion of  
individual  
audit  
reports

(2) The individual audit reports for Local Government Authorities, Ministries, Independent Departments and Agencies shall be submitted to the Mayors or Chairman of Council and Accounting Officer respectively after the general reports have been tabled in the National Assembly.

## PART VII

### PARLIAMENTARY OVERSIGHT COMMITTEES

92. The Public Accounts Committee, Local Authorities Accounts Committee and Parastatal Organization Accounts Committee shall discuss the individual reports of the Controller and Auditor General on the financial statements of the Central Government, Local Government Authorities and public authorities and other bodies respectively, after the general report has been tabled in the National Assembly.

Parlia-  
mentary  
Oversight  
Commit-  
tees to  
discuss  
reports of  
Central  
Govern-  
ment  
Local  
Govern-  
ment  
Authori-  
ties and  
Public  
Authori-  
ties

93. Every Accounting Officer of the audited entity shall, within twenty one days from the date the general report is tabled before the National Assembly, prepare responses on the individual reports under regulation 91.

Account-  
ing  
officers to  
respond  
to  
individual  
reports

94. After preparing the responses referred to in regulation 93, the Accounting Officer of the audited entity shall submit the same to the relevant Parliamentary Oversight Committee referred to in regulation 92, and copy it to the Controller and Auditor General.

Copies of  
responses  
by  
Account-  
ing  
Officers  
to be sent  
to  
Controller  
and  
Auditor  
General

Unre-  
solved  
audit  
findings  
to be  
addressed  
in the  
responses

95. The responses by the Accounting Officers referred to in regulation 94 shall, *inter- alia* contain unresolved audit findings which feature in the individual report under regulation 91.

Parlia-  
mentary  
Oversight  
Commit-  
tees to set  
timetable  
to discuss  
reports of  
Controller  
and  
Auditor  
General

96. A Parliamentary Oversight Committee in collaboration with the Controller and Auditor General shall prepare a time table for the discussion of the Controller and Auditor General's report and send copies to the Ministry responsible for matters relating to finance and the Ministry responsible for Local Government Authorities.

## PART VIII

### FINANCE AND AUDIT OF NATIONAL AUDIT OFFICE

Sources of  
Funds for  
the  
National  
Audit  
Office

97. Subject to the provision of section 41 of the Act, the sources of funds for the National Audit Office, in respect of income from other sources and donations or bequest or, shall consist of any one or more of the following:

- (a) income derived as interest on deposits in Banks;
- (b) rental income ;
- (c) receipts from disposal of assets which are no longer required by the National Audit Office;
- (d) administrative and review charges received from contracted audits;
- (e) audit fees;
- (f) donations or bequests.

Provided that the donations or bequests shall not result in a conflict of interest in respect of the performance of the Controller and Auditor General's responsibilities and functions, and in disposing the assets which are no longer required by the National Audit Office, the Controller and Auditor General shall follow the requirements of the Public Procurement Act and its Regulations, policies and other guidelines for the time being governing disposal of public assets.



98. Pursuant to regulation 97, the National Audit Office shall-

- (a) deposit its funds in reputable banks or financial Institutions; and
- (b) lease real property of the National Audit Office to reputable entities or institutions as determined by the Controller and Auditor General.

Reputa-  
tion of  
Bankers  
and  
tenants of  
National  
audit  
office

99. For avoidance of doubt, it is hereby stipulated that the National Audit Office shall have no interest in such institutions, entities or banks from which its income derives, which may jeopardize the performance of the Controller and Auditor General's responsibilities and functions provided under the Act or any other written laws.

National  
Audit  
Office not  
to have  
interests  
which  
may  
jeopardize  
its  
perfor-  
mance

100. In the execution of his duties, the Accounting Officer of the National Audit Office shall be guided by the requirements of the Financial Regulations of the National Audit Office.

Responsi-  
bilities of  
the  
account-  
ing officer

101.-(1) For the purpose of enabling the Members of the Consultative Meeting to discharge their responsibilities under Section 44 of the Act, the Controller and Auditor General shall in respect of each financial year submit, within seven days prior to the meeting, the estimates of revenue and expenditure with the following information -

Estimates  
of  
Revenue  
and  
Expendi-  
ture for  
National  
Audit  
Office

- (a) estimates of all the revenue to be raised during the financial year to which the budget relates;
- (b) estimates of the total recurrent and development expenditure for that financial year;
- (c) objectives, targets, activities and expected outputs of the National Audit Office for that financial year to which the budget relates; and
- (d) such other details that may be necessary to ensure that the comprehensiveness and transparency of the information supplied enables the Minister and the Public Accounts Committee to arrive at appropriate and informed decisions.

(2) The chairperson of the Public Accounts Committee shall chair the consultative meeting of the Controller and Auditor General, the Minister and the Public Accounts Committee.

Controller and Auditor General to organize the consultative meeting

102. The Consultative meeting referred to under regulation 101 shall be organized by the Controller and Auditor General and the quorum shall be considered to have been attained when there is in attendance at least one third of its members.

Technical staff to attend consultative meeting

103. The members of the consultative meeting referred to in Regulation 102 shall be accompanied with technical staff from their offices who are well conversant with the matters to be discussed in the meeting.

Controller and Auditor General to consolidate the resolutions of the consultative meeting

104. Where the estimates of revenues and expenditure have been discussed and deliberated upon by the consultative meeting, the Controller and Auditor General shall consolidate the estimates for revenue and expenditure and submit the same to the Minister.

The Minister to submit estimates of National Audit Office to National Assembly as agreed

105. Where the estimates of revenues and expenditure have been agreed upon by the consultative meeting and have been submitted to the Minister, the Minister shall submit the same to the National Assembly without any alteration.

Functions and Management of the Fund.

106.—(1) There shall be paid into the Audit Revenue Fund all sources of revenue received by or accrued to the National Audit Office, subject to the provisions of section 41 of the Act, which may be used to-

- (a) discharge the budgetary expenditure of the National Audit Office;



- (b) facilitate promotions and incentives for the employees of the National Audit Office; and
- (c) formulate, implement and review policies, laws and regulations relating to audit of public funds.

(2) Any surplus balance at the end of the financial year shall be retained by the National Audit Office for the purposes for which the Fund is established.

107. Accounts of the Fund shall be kept with such bank or banks approved from time to time subject to the provisions of the Public Finance Act, and all the moneys payable as source of revenue for the National Audit Office pursuant to the provisions of section 41 of the Act, shall be deposited in such accounts.

Accounts  
of the  
fund

108. The Accounting Officer or an officer of the National Audit Office authorised by the Accounting Officer in writing, may make payments from the bank accounts referred to in regulation 107.

Payment  
from the  
accounts  
of the  
fund

109. The management and administration of the Audit Revenue Fund shall be vested to the Accounting Officer of the National Audit Office.

Account-  
ing officer  
to manage  
the fund

110. Pursuant to the provisions of the Public Finance Act, the Accounting Officer shall ensure that-

Duties of  
account-  
ing officer  
in respect  
of the  
fund  
Cap.348

- (a) effective records of all income, expenditure, assets and liabilities of the Fund are kept in efficient and transparent system of financial management;
- (b) the resources of the Fund are used effectively, efficiently, economically and transparently and all relevant financial considerations, including issues of propriety, regularity and value for money, are considered when making decisions affecting the Fund;
- (c) the irregular or fruitless expenditures, and losses from criminal conduct are prevented; and
- (d) disciplinary, or when appropriate, criminal proceedings, are instituted against an employee of the National Audit Office who has allegedly committed criminal offence or financial

*Public Audit*

*G.N. No. 47 (contd.)*

Cap.348 misconduct pursuant to the provisions of the Public Finance Act resulting in loss to the Fund.

Audit of National Audit Office Accounts Cap.410 111. Subject to the provisions of the Act, the accounts of the National Audit Office shall be audited by an Auditor appointed by the Public Accounts Committee through a fair, transparent, competitive and cost effective method pursuant to the Public Procurement Act.

Controller and Auditor General to be given details of the auditor for National audit office 112. Where an award of contract is made to the appointed auditor subject to regulation 111, the Chairman of the Public Accounts Committee shall, within seven days from the date of award of contract, notify the Controller and Auditor General the name of the appointed auditor together with the terms of the engagement.

Tenure of auditor appointed to audit National Audit Office 113. The contractual period of the auditor appointed to audit the National audit office shall be three years which may be renewed for another term of three years:

Provided that the Public Accounts Committee may terminate the contract any time before expiry of the three years where there are justifiable grounds to do so.

Costs for audit of National Audit Office 114. The National Audit Office shall bear the cost of the audit under Regulation 111.

Avoidance of conflict of interest 115. For the purpose of avoiding conflict of interest, the appointed auditor to audit the National Audit Office shall not be appointed by the Controller and Auditor General to conduct any audit on his behalf for the audit contract period.

Establishment of the Audit Committee 116.-(1) The Controller and Auditor General, in consultation with the Accounting Officer, shall establish an Audit Committee which shall comprise of two senior officials of the National Audit Office and three other members from outside the National Audit office.



(2) The chairman of the Audit Committee of the National Audit Office shall come from among the three members of the committee from outside the National Audit Office.

(3) At least two of the Members of the Audit Committee shall have accounting or auditing background.

117. The Audit Committee shall meet at least quarterly a year and be responsible for-

Responsibilities of the Audit Committee

- (a) approval of internal audit strategic plans of the National audit Office;
- (b) reviewing all internal and external audits reports involving matters of concern to senior management of the National Audit Office including the identification and dissemination of good practices;
- (c) providing advice to the Accounting Officer on an action to be taken on matters of concern raised in a report of the internal and external auditors and preparation and review of financial statements of the National Audit Office;
- (d) as far as practicable, coordinating audit programs conducted by internal and external auditors; and
- (e) preparing an annual report on its functions, copies of which shall be sent to the Paymaster General, the Accountant General and the appointed auditors.

118.-(1) For the purpose of effectively discharging its responsibilities, the Controller and Auditor General shall ensure that the Audit Committee has access to him and the Accounting Officer at all reasonable times.

Audit Committee to have access to Accounting officer and Controller and Auditor General

(2) The Audit Committee shall have powers to -

- (a) call for independent advice on auditing, accounting and accountability issues;
- (b) require the attendance of any employee of the National Audit Office at committee meetings; and
- (c) call an *ad hoc* meeting where need arises.

G.N. No. 47 (contd.)

Representation in the meetings of Audit Committee

119. The auditor appointed to audit the National Audit office shall be informed in advance of all the meetings of the Audit Committee and shall have the right to be represented at any meeting of the Committee.

Internal Audit Unit

120 There shall continue to exist in the National Audit Office an Internal Audit Unit as per the requirements of the Public Finance Regulations.

Functions of the Internal Audit Unit

121. The functions of the Internal Audit unit shall include to -

- (a) review and report on proper control over the receipt, custody and utilisation of all financial resources of the unit;
- (b) review and report on conformity with financial and operational procedures laid down in any legislation or any regulations or instructions issued under such legislation and good accounting practices as from time to time defined by the Accountant General in order to avoid incurring obligations and authorising payments to the extent which would ensure effective control over the expenditure of the unit;
- (c) review and report on the correct classification and allocation of revenue and expenditure accounts;
- (d) review and report on the reliability and integrity of financial and operating data so that information provided allows for preparation of accurate financial statements and other reports for the information of the unit and the general public as required by legislation;
- (e) review and report on the systems in place used to safeguard assets, and, as appropriate, the verification of the existence of such assets;
- (f) review and report on operations or programs to ascertain whether results are consistent with established objectives and goals;
- (g) review and report on the adequacy of action by management in response to internal audit reports, and assisting management in the implementation of recommendations made by those reports;



- (h) review and report on the adequacy of controls built into computerised systems in place in the unit;
- (i) respond to ad hoc requests for audit assistance or advice as may be requested by the Controller and Auditor General, the Accounting Officer or Heads of Departments;
- (j) in general appraise on the soundness and application of accounting, financial and operational controls in the National Audit Office.

122.-(1) These Regulations shall be proposed by the Controller and Auditor General and issued by the Minister.

Procedure  
to issue  
and revise  
the  
Regula-  
tions

(2) These Regulations may from time to time be revised by the Controller and Auditor General in consultation with the Minister.

Dar es Salaam,  
22<sup>nd</sup> January, 2009

MUSTAFA H. MKULO,  
*Minister for Finance and Economic  
Affairs*