

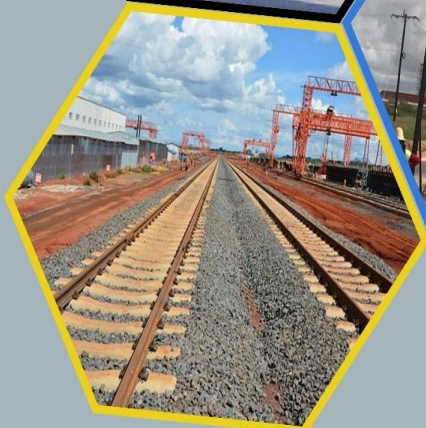


THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



ANNUAL GENERAL REPORT OF THE CONTROLLER AND AUDITOR GENERAL FOR CENTRAL GOVERNMENT



MARCH
2022



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



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Ref. No. CGA.319/421/01A

30 March 2022

H.E.Samia Suluhu Hassan,
The President of the United Republic of Tanzania,
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40400 DODOMA.

**RE: SUBMISSION OF THE ANNUAL REPORT ON THE AUDIT OF THE
CENTRAL GOVERNMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE
2021**

In accordance with Article 143(4) of the Constitution of the United Republic of Tanzania of 1977, and Section 34 of the Public Audit Act, Cap 418, I am pleased to submit to you my Annual General Report on the audit of Central Government for the financial year ended 30 June 2021.

I humbly submit,

Charles E. Kichere
Controller and Auditor General

About the National Audit Office

Mandate

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

Vision

A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

Mission

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

Motto: “Modernising External Audit for Stronger Public Confidence”

Core Values

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

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

We do this by: -

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

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ABBREVIATIONS AND ACRONYMS

ADEM	Agency for Development of Educational Management
AIDS	Acquired Immunodeficiency Syndrome
ASA	Agricultural Seed Agency
BMH	Benjamin Mkapa Hospital
BOQ	Bills of Quantities
BOT	Bank of Tanzania
BWB	Basin Water Boards
CAG	Controller and Auditor General
CCMPA	Comprehensive Contract Management Performance Audit
CDCF	Constituencies Development Catalyst Fund
CESMM	Civil Engineering Standard Method of Measurement
CHOP	Comprehensive Hospital Operational Plan
COVID-19	Corona Virus Disease of 2019
DASIP	District Agricultural Sector Investment Project
DC	District Council
DCEA	Drugs Control and Enforcement Authority
DCOM	Design, Construction Supervision, Operation & Maintenance
DN	Diameter Nominal
DP	Domestic Point
EASTC	Eastern Africa Statistical Training Centre
EFD	Electronic Fiscal Device
EGA	E-Government Authority
EHPC	Environment Health Practitioner Registration Council
EIA	Environment Impact Assessment
EMA	Environment Management Act
FETA	Fisheries Education and Training Agency
FY	Financial Year
GCC	General Conditions of Contract
GN	Government Notice
GST	Geological Survey of Tanzania
HCMIS	Human Capital Management Information System
HDPE	High-Density Polyethylene
HESLB	Higher Education Students Loans Board
HLPC	Health Laboratory Practitioner Council
HQ	Headquarters
HTMWSSA	Handeni Trunk Main Water Supply and Sanitation Authority
ICT	Information, Communication and Technology
IFRS	International Financial Reporting Standards
IGUWASA	Igunga Water Supply and Sanitation Authority
INTOSAI	International Organization of Supreme Audit Institutions
IPC	Interim Payment Certificate
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
JKT	Jeshi la Kujenga Taifa
JSS	Jitegemee Secondary School
KDC	Kigoma District Council

KSS	Kawawa Secondary School
LDF	Livestock Development Fund
LGA	Local Government Authorities
LGLB	Local Government Loans Board
LGTI	Local Government Training Institute
LITA	Livestock Training Agency
LNBWB	Lake Nyasa Basin Water Board
LS	Lump-Sum
LVBWB	Lake Victoria Basin Water Board
MC	Mining Commission
MDAs	Ministries, Departments and Agencies
MLs	Management Letters
MNRT	Ministry of Natural Resources and Tourism
MoFP	Ministry of Finance and Planning
MoHCDGEC	Ministry of Health, Community Development, Gender, Elderly and Children
MPDSR	Maternal and Perinatal Death Surveillance and Response
MPWSSA	Makonde Plateau Water Supply and Sanitation Authority
MRIPC	Medical Radiology and Imaging Professionals Council
MSCL	Marine Service Company Limited
MSD	Medical Stores Department
MUSE	Mfumo wa Ulipaji Serikalini
MZHCL	Mzinga Holding Company Ltd
NBS	National Bureau of Statistics
NCT	National College of Tourism
NDMF	National Disaster Management Fund
NFRA	National Food Reserve Agency
NHIF	National Health Insurance Fund
NLUPC	National Land Use Planning Commission
NPS	National Prosecutions Service
NRA	National Reconstruction Alliance
NSSF	National Social Security Fund
NWF	National Water Fund
NWSSA	National Water Supply and Sanitation Authority
OD	Outside Diameter
OI	Other Institution
OPD	Outpatient Department
OPRAS	Open Performance Review and Appraisal System
OSHA	Occupational Safety and Health Authority
OWSSA	Orkesumet Water Supply and Sanitation Authority
PAC	Parliamentary Accounts Committee
PBPA	Petroleum Bulk Procurement Agency
PBRDF	Plant Breeder's Right Development Fund
PC	Pharmacy Council
PCCB	Prevention and Combating of Corruption Bureau
PCS	Prison Corporation Sole
PE	Procuring Entities
PFR	Public Finance Regulations 2001
PHLB	Private Health Laboratories Board

PMG	Paymaster General
PN	Nominal Pressure
PO PSMGG	President's Office Public Service Management and Good Governance
PO RAMD	President's Office- Records and Archive Management Department
POCS	President's Office and Cabinet Secretariat
PO-RALG	President's Office-Regional Administration and Local Government
PP	Political Party
PPR	Public Procurement Regulations
PSSSF	Public Servants Social Security Fund
PWTI	Pasiansi Wildlife Training Institute
RAMD	Records and Archives Management Department
RAS	Regional Administrative Secretary
RE	Revised Edition
REA	Rural Energy Agency
Reg.	Regulation
RFB	Road Fund Board
RITA	Registration Insolvency and Trusteeship Agency
RRH	Regional Referrals Hospital
RS	Regional Secretariat
RSCBWB	Ruvuma and Southern Coast Basin Water Board
RUWASA	Rural Water Supply and Sanitation Agency
RUWASA DS	Rural Water Supply and Sanitation Authority Drilling Section
S/N	Serial Number
SAGCOT CTF	Southern Agriculture Growth Corridor of Tanzania Catalytic Trust Fund
SCC	Specific Conditions of Contract
SEUWASA	Sengerema Urban Water and Sanitation Authority
SH	Specialized Hospital
SN	Serial Number
STD	Standard Tendering Document
SUMA JKT CFC	Suma Jkt Cleaning and Fumigation Company
TACT	Tanzania Automotive Technology Centre
TAHPC	Traditional and Alternative Health Practice Council
TALIRI	Tanzania Livestock Research Institute
TANROADS	Tanzania National Roads Agency
TARI	Tanzania Agricultural Research Institute
TAWA	Tanzania Wildlife Management Authority
TB	Tender Board
TBA	Tanzania Building Agency
TC	Town Council
TCDC	Tanzania Cooperative Development Commission
TDMWSSA	Tunduma Water Supply and Sanitation Authority
TEMESA	Tanzania Electrical Mechanical and Electronics Service Agency
TFB	Tanzania Film Board
TGC	Tanzania Gemological Centre
TICD	Tengeru Institute of Community Development
TOSCI	Tanzania Official Seed Certification Institute
TPF	Tanzania Police Force
TPFCS	Tanzania Police Force Corporation Sole

TPRB	Town Planner Registration Board
TPSC	Tanzania Public Service College
TRA	Tanzania Revenue Authority
TUUWASA	Tunduru Urban Water Supply and Sanitation Authority
TVLA	Tanzania Veterinary Laboratory Agency
TWPF	Tanzania Wildlife Protection Fund
TZS	Tanzanian Shillings
UDSM-MRI	University of Dar es Salaam - Mineral Resources Institute
UNESCO	United Nations Educational, Scientific and Cultural Organization
VAT	Value Added Tax
VRB	Valuers Registration Board
WDF	Women Development Fund
WMA	Weights and Measures Agency
WRBWB	Wami-Ruvu Basin Water Board
ZRH	Zonal Referral Hospital



STATEMENT OF THE CONTROLLER AND AUDITOR GENERAL

I am pleased to present the Annual General Report of Central Government for the year 2020/21.

The report covers significant audit matters noted during the year under audit relating to internal controls and operations only to the extent considered necessary for the adequate performance of the audit to form an opinion as to whether the financial statements were prepared fairly in all material respects in accordance with the applicable Financial Reporting Framework.



The audit was carried out pursuant to the International Standards of Supreme Audit Institutions (ISSAIs) and other audit procedures deemed appropriate under the circumstances.

This report looks into all significant audit matters relating to financial statements of Central Government, controls for operations and operational efficiency of the Entities in implementation of the mandate for which they were established. It also depicts operational efficiencies of Political Parties.

The financial year 2020/21 was, in many ways, dominated by the wide-ranging impacts of the Covid-19 pandemic. It has been inspiring me to see how well the Government has responded to the pandemic during this year. The Government pulled significant resources and focused on saving lives, concurrently maintaining a vibrant and sustainable delivery of social services. My office was not spared from the impact of the pandemic. However, I appreciate the support rendered to my office by the Government under the leadership of Her Excellency, Samia Suluhu Hassan, the President of the United Republic of Tanzania that helped us adjust and adapt to the new working environment, which enabled us to maintain focus and energy, and we were able to

attain our goals. I am also grateful to the Parliament of Tanzania for its support to ensure that I fulfil my constitutional mandate.

I also extend my sincere appreciation to Accounting Officers, Management and staff of audited entities for their invaluable support and cooperation during the audit.

Finally, I must recognize the important contribution of my staff members who have been working tirelessly, driven entirely by professional call, to complete the assigned audit activities while maintaining high level of quality in line with professional standards. It is a strong sense of purpose and dedication that made it possible to deliver this report within the statutory deadlines.



Charles. E. Kichere

CONTROLLER AND AUDITOR GENERAL

March, 2022



BACKGROUND INFORMATION

The Mandate of the Controller and Auditor General

The Controller and Auditor General (CAG) mandate is provided under Article 143 of the Constitution of the United Republic of Tanzania, 1977 and further elaborated in the Public Audit Act, Cap.418 and the Public Audit Regulations G.N 47 of 2009. The CAG heads the National Audit Office, the Supreme Audit Institution of the United Republic of Tanzania, and an Independent Department of the Government of the United Republic of Tanzania.

The CAG mandate extends to undertake various audits, including financial, compliance, performance, special, forensic, and any other type of audit as the CAG deems fit.

The CAG is also empowered to make recommendations to prevent or minimise unproductive expenditure of public monies, maximising the collection of public revenues, averting loss by negligence, carelessness, theft, dishonesty, fraud, corruption relating to the public monies and resources. The CAG undertakes the above to bring about accountability and transparency in the management of public resources.

Audit Standards

In discharging his functions and responsibilities, the Controller and Auditor-General perform audits in accordance with International Standards of Supreme Audit Institutions (ISSAI) issued by INTOSAI.

Audit Objectives

The main objective of conducting audits is to enable the CAG to express an independent opinion on the fairness of financial statements and whether they have been prepared, in all material respects, in accordance with an acceptable financial reporting framework.

Audit Scope

My audit scope in this annual report includes a review of financial transactions, internal controls and the operations only to the extent considered necessary for the effective performance of the audit and to form an opinion as to whether the financial statements were prepared fairly in all material respects in accordance with the applicable Accounting

Framework that is, the International Public Sector Accounting Standards (IPSASs)/ International Financial Reporting Standards (IFRS)

The audit also, included a review of the effectiveness of internal controls relating to the procurement of works, goods, and services to obtain reasonable assurance on whether the audited entity has complied with Public Procurement Laws. I placed special attention on accountability of the collected revenues, expenses, custody, disposal, issue and proper use of public property and compliance with the applicable laws, directives, and instructions.

Audits Conducted for the Financial Year 2020/21

During the reporting period, 2020/21, I audited 331 entities under Central Government, whose findings are summarized in this Annual General Report. The audited entities have increased from 307 in 2019/20 to 331 in the financial year 2020/21 under the reporting period. The changes are due to 27 new reporting entities under central government entities and ceasing operations of three entities, National Housing and Building Research Agency (NHBRA), Mineral Resources Institute and Tanzania Global Learning Agency (TaGLA), whose operations merged with Ardhi University, University of Dar es Salaam and Tanzania Public Service College (TPSC) respectively. The list of new entities that were audited for the first time in 2020/21 is shown in Table 1 below.

Table 1: List of new entities audited for financial year 2020/21

SN	Entity	Category
1	Tanzanian Embassy in Windhoek, Namibia	Sub Vote 2043
2	Irrigation Development Fund (IDF)	Fund
3	Bunda Water Supply and Sanitation Authority	NWSSA
4	Handeni Water Supply and Sanitation Authority	NWSSA
5	Ifakara Urban Water Supply and Sanitation Authority	NWSSA
6	Igunga Water Supply and Sanitation Authority	NWSSA
7	Katesh Town Water Supply and Sanitation Authority	NWSSA
8	Kibaigwa Water Supply and Sanitation Authority	NWSSA
9	Mpwapwa Water Supply and Sanitation Authority	NWSSA
10	Mugumu Water Supply and Sanitation Authority	NWSSA
11	Orkesumet Water Supply and Sanitation Authority	NWSSA
12	Ruangwa Water Supply and Sanitation Authority	NWSSA
13	Sengerema Water Supply and Sanitation Authority	NWSSA
14	Tarime Urban Water Supply and Sanitation Authority	NWSSA
15	Tunduma Water Supply and Sanitation Authority	NWSSA
16	Tunduru Urban Water Supply and Sanitation Authority	NWSSA
17	Chato Zonal Referral Hospital	ZRH

SN	Entity	Category
18	Information and Communication Technologies Commission (ICTC)	OI
19	National Information Communication Technology Broadband Backbone	OI
20	SUMA JKT Auction Mart Company Limited	OI
21	SUMA JKT Bottling Company Limited	OI
22	SUMA JKT Chang'ombe Furniture Company limited	OI
23	SUMAJKT Garments Company Limited	OI
24	SUMAJKT Port Service Co Ltd	OI
25	SUMAJKT Catering Service Company Limited	OI
26	SUMA JKT Cleaning and Fumigation Company Ltd	OI
27	Valuers Registration Board	OI

Source: CAG Audit Reports in FY 2020/21

Pension files Pre-audit

Apart from the audits of the financial statements and compliance with procurement legislation, I performed pre-audit of terminal benefits as provided for under Article 143(2) (a) of the Constitution of the United Republic of Tanzania, 1977. This gives me the mandate to authorise transfers from the Consolidated Fund, upon satisfaction that the conditions stipulated under Article 136 of the Constitution have been complied with.

During the year under audit, 2,276 pension files were available for pre-audit, out of which 2,139 files (94%) were pre-audited. I approved 1,880 files (83%) for payments. The detailed results of this audit are in Chapter Seven of this report.

Comprehensive Contracts Management Performance Audit

Effective contracts management enables the government to maximise value for money in delivering development programmes with positive outcomes. Therefore, I conducted a comprehensive audit on contracts management in 55 RUWASA district offices in 25 regions to assess the effectiveness of systems in managing water projects towards attaining optimum use of the allocated resources and achievement of intended objectives. Detailed findings are in Chapter ten of this report.

Special and Forensic Audits

Sect. 29 of the Public Audit Act, Cap.418 and Reg. 79(1) of the Public Audit Regulations, GN No. 47/2009 mandate the CAG to undertake special audit upon written request from the Accounting Officer, or any person, Institution, Public Authority, Ministry, Independent Department, Agency, Local Government Authority, and such any other body. Moreover, Reg. 82

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of the Public Audit Regulations, GN No. 47/2009, mandate CAG, where applicable, to perform a forensic audit to Ministries, Independent Departments, Agencies, Local Government, Public Authorities and other bodies.

This report has summarised findings from seven forensic audits and four special audits conducted during the reporting period. These audits were requested by various stakeholders and those initiated by my office. The detailed results are in Chapter fifteen of this report. The list of the special and forensic audits undertaken during the year are shown in Table 2 below:

Table 2: List of Special and Forensic Audits undertaken During the Year

SN	Name of the Audit	Responsible Entity	Initiator
1	Special Audit on Alleged Fraud in the Redemption of Mutilated Notes at BOT	BoT	BoT
2	Special Audit on the Assets and Liabilities of Moshi Arusha Occupational Health Services (MAOHS)	MoFP	MoFP
3	Special Audit on the Management of ORIO Tanzania Project Escrow Account relating to Rehabilitation of Diagnostic Services in Tanzania at MoHCDEC	MoHCDEC	CAG
4	Special Audit on the Misappropriation of Revenue at Local Government Training Institute (Hombolo)	PO-RALG	CAG
5	Forensic Audit on the Construction of Mwasonge Bridge at Misungwi District Council	TARURA	PCCB
6	Forensic Audit on the Construction of Sokoine Memorial Secondary School	MoEST	PCCB
7	Forensic Audit on the Rehabilitation and Remodeling of Mzumbe Secondary School	TEA	PCCB
8	Forensic Audit on the Fraudulent transfer of USD 298,500 from the Expanding Rice Production Project (ERPP) at BOT	BoT	PCCB
9	Forensic Audit on the Rehabilitation of Buildings, Water and Water Sewerage Systems, ICT infrastructures, and Electrical Systems at Ilonga Teachers College	MoEST	PCCB
10	Forensic Audit on Visa on arrival Revenue Collection at Kilimanjaro International Airport	Immigration Department	DCI
11	Forensic Audit on the Implementation of Rural Electrification Projects in REA II and III in the Mara Region	REA	PCCB

Source: Individual Forensic and Special Audit Reports.

EXECUTIVE SUMMARY

Introduction

This report provides a detailed analysis of findings, recommendations and conclusion emanating from the audit of the financial statements and compliance audit in respect of 66 Ministries Votes and Government Departments, 26 Regional Secretariats, 43 Embassies, 31 Government Executive Agencies, and 17 Special Funds. It also encompasses 29 Basin Water Boards and National Water Supply and Sanitation Authorities, 19 Political parties, 33 Referral and specialized hospitals, 64 Other Institutions, and seven forensic and four special audits. It also includes the audit of Tanzania Revenue Authority, Consolidated Accounts and pre-audit of Pension files for the financial year ended 30, June 2021.

(i) Types and Trend of Audit Opinions

In the financial year ended 30 June 2020/21, I audited and issued opinion on 327¹ entities that submitted their financial statements for the audit. 315 audit opinions equivalent to (96.33%) were unqualified, five (1.53%) were qualified, five (1.53%) were adverse, and two (0.61%) were issued with disclaimer of opinions.



However, despite the significant number of unqualified audit opinion on both financial and compliance Audits, I still had observations arising from deviated parliamentary decisions, legislative Acts, Government policies and directives though these do not have a direct impact on the correctness of the submitted financial statements.

(ii) Implementation Status of Prior Year's General Recommendations

I issued 205 audit recommendations which includes 21 special audit recommendations, for government response. However, the Pay-Master General (PMG) submitted responses to only 60 recommendations through a letter with Ref. No. CHA.114/474/01/84 dated 30 June 2021. Out of the 60 responded recommendations 3(5%) have been implemented, 48(80%) are under implementation, 8(13%) are not yet implemented and 1 (2%) overtaken by events.

¹ Of the total 331 Central Government entities, four entities did not prepare financial statements, which are Constituencies Development Catalyst Fund, Ifakara WSSA, Tunduma WSSA and Tunduru WSSA.

On the individual reports, my assessment revealed that as of 30 June 2021, out of 17,179 previously issued recommendations, 5,290 (31%) were fully implemented, 6,032 (35%) were under implementation, 3,548 (21%) were not implemented, 1,143 (6%) were overtaken by events and 1,166 (7%) were reiterated. In addition, my assessment showed that out of 17,179 total outstanding recommendations, 191 recommendations have been outstanding for more than five years. Out of those, 8(4%) have been outstanding for more than ten years. The detailed analysis noted that out of the 191 recommendations, 3(1.6%) are still under police investigation, 1(0.5%) is under PCCB investigation, 9(4.7%) recommendations have not been responded by management and 178(93.2%) have not been adequately followed up by management.

Further, there were 822 directives issued by PAC, of which 268 were issued in 2019/20, 259 were issued in 2018/19 and 295 in 2017/18. My assessment showed that 347 (42%) directives were fully implemented, 294 (36%) were under implementation, 147 (18%) were not implemented, and 34 (4%) were overtaken by events.

(iii) Evaluation of Internal Controls, Risk Assessment and Governance Systems

My review of the governance systems in MDAs' noted areas that need improvements such as entities did not establish their Advisory/Governing boards, while others have expired boards and weaknesses in implementing their strategic goals.

Further, I found that audit Committees have inadequately served the role of overseeing the matters related with internal audit, external audit and risk management entities and Irregularities in the entities internal audit functions.

In addition, I noted control weaknesses over the performance of monthly bank reconciliations at regional sub-treasuries deposit accounts and the non-maintenance of the consolidated probate register at the High Court of Tanzania.

(iv) Budget Preparation and Execution

I noted under-collection of government revenue TZS 3,553.58 billion equivalent to 11.34% of the estimated budget. I also noted the actual

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revenue collected during the year under review has decreased by TZS 193.28 billion (0.6%) compared to TZS 31,519.49 billion collected in the previous fiscal year 2019/20.

Regarding the current year collections, domestic revenue such as Tax, Non-Tax and LGA's collections were TZS 20,320.21 billion (65%), Grants TZS 887.35 billion (3%), and Borrowing TZS 10,118.65 billion (32%). Out of TZS 31,326.21 billion collected, I noted that an amount of TZS 1,254.41 billion was not included in Consolidated fund, out of that TZS 1,249.90 billion was transferred direct to project and TZS 4.51 billion was for special funds purpose. I also noted that the government made a deficit of TZS 1,242.85 billion from the consolidated fund issued amount.

In addition, I noted some activities were implemented out of the budget for instance, TZS 8.33 billion was allocated for the Construction of Mwanza Airport Terminal buildings which was not budgeted.

(v) Revenue Management

My assessment of operations and revenue collection efficiency for the financial year 2020/21, I noted that TRA did not tax online transactions or include them in their strategic plan. I also noted that on sample basis in enforcement and management of Electronic Fiscal Device (EFD) 1,796 taxpayers did not have EFD machines and 10,108 taxpayers were not assessed and visited for the year under review. This narrows tax base and results into a loss of government revenue.

Further, I noted that KADCO collected TZS 2.37 billion and USD 7.04 million from July 2019 to June 2021 at KIA from airline operators but did not remit to TRA. Further I noted 676 temporary imported vehicles in customs office overstayed for more than three months without being re-exported after the expiration of the statutory period.

(vi) Non-Tax Revenue Management

I assessed the revenue management at Ministries, Agencies, Departments and other institutions levels and revealed shortcomings as detailed hereunder:

I noted revenue amounting to TZS 6.53 billion were collected out of the Government Electronic Gateway System (GePG). I also, found that the Government Printing Department and two Water Authorities had failed to

collect revenue amounting to TZS 8.80 billion due to incapacity to provide their service.

I found that Commercial Banks delayed to remit to the Bank of Tanzania a total of TZS 1.99 billion being revenue collections by Ministry of Education, Science and Technology, Temeke Hospital and Private Health Laboratories Board for about 29 days contrary to the service agreement and the respective commercial banks were not imposed with interest for such delays. In addition, I noted TBA and NIDA had not billed their clients a total of TZS 14.77 billion in respect of services provided.

Furthermore, I noted that Petroleum Bulk Procurement Agency failed to collect penalties amounting to TZS 13.40 billion on distortion of Petroleum Bulk Procurement System. Tanzania Wildlife Management Authority (TAWA) failed to realize revenue from vacant hunting blocks for more than two years. These hunting blocks had been advertised in the Auction since 2019.

Also, I noted absence of effective strategies to collect Government revenue of TZS 77.58 billion from land sector service by the Ministry of Land Housing and Human Settlements Development and TZS 4.76 billion of house rent by TBA.

(vii) Public Debt Management

I noted that the Public Debt stood at TZS 64,519.63 billion against TZS 56,756.70 billion reported in 2019/20. The increase of TZS 7,762.93 billion (13.7%) in the current year compared to TZS 3,652 billion (7%) in the previous year. Public debt comprises Domestic and External Debt Stock of TZS 18,934.61 billion and TZS 45,585.02 billion in the financial year 2020/21 respectively compared to TZS 15,515 billion and TZS 41,242 billion in 2019/20. The increase was attributed by loss from the exchange rate and net disbursements (new loans less principal repayments).

The public debt is noted to be sustainable. The ratio of the present value of public debt (external and domestic debt) to GDP remained below the threshold. However, the risk of external debt distress has increased from a low-risk rating in the previous year to a moderate in the current year report. This is attributed to the impact of the COVID 19 pandemic on the country's tourism sector and the global economy at large.

I further noted 11 contracted loans of TZS 2,380 billion signed between 1990 and 2020 were not disbursed as of 30 June 2021.

(viii) Expenditure Management

I revealed that 48 entities made expenditures amounting to TZS 6.35 billion without relevant and adequate supporting documents; eight entities made payments amounting to TZS 482.6 million in fruitless expenditure (nugatory); and 24 entities charged expenses amounting to TZS 4.57 billion to incorrect account codes.

Further, 19 entities made payments amounting to TZS 6.17 billion above the approved budget without evidence of reallocation approvals; 30 entities had outstanding imprest amounting to TZS 3.42 billion; and eight entities charged imprest amounting to TZS 823.49 million as final expenditure contrary to requirements.

Furthermore, 38 entities paid a total of TZS 3.70 billion to various suppliers without demanding EFD receipts; 10 entities made payments of TZS 2.44 billion without authorisation from the designated officials and 23 entities did not withhold and remit withholding taxes amounting to TZS 746.09 million.

(ix) Human Resources and Payroll Management

On the audit of Human Resource and Payroll, as in the previous year, MDAs continued to reflect substantial shortage of 33,145 staff. I also, noted non remittance of statutory deductions to relevant funds and institutions of TZS 391.68 million as well as payments of salaries without employment contracts of TZS 348.49 million.

(x) Management of Assets and Liabilities

On management of Assets and Liabilities I noted four entities having abandoned dilapidated buildings; lack of asset maintenance plan in 12 entities; six entities procured assets of TZS 1.43 billion which were not put into use for so long; 47 entities had grounded assets neither being disposed of; 32 entities did not have certificates of right of occupancy for their lands; and 28 entities did not adequately maintain their asset registers and 25 entities had not coded their assets.

I further found that central government entities had receivables amounting to TZS 887.69 billion, a decrease of TZS 145.16 billion from TZS 1,032.85 billion reported in the financial year 2019/20. A slight decrease in receivables shows a positive trend towards their recoverability.

Furthermore, I noted payables of TZS 3.62 trillion, while last year for the same period had TZS 3.13 trillion, an increase of TZS 490.28 billion (15.68%). TZS 2.46 trillion has been outstanding for more than 12 months.

(xi) Procurement and Contracts Management

I noted several issues of non-compliance with procurement laws and regulations; four entities failed to deduct liquidated damages for fundamental breach of contracts worth TZS 59.66 billion. Seven agencies, executed various projects without proper authentication of performance guarantees for procurements of goods and services amounting to TZS 18.53 billion.

Further, I noted 10 projects of TZS 321.63 implemented by 10 government institutions were significantly delayed to be completed for a period ranging from six months to 8 years; (TBA) delayed the closure and officially handing-over of sites and works for projects which were substantially completed.

Furthermore, I noted that 21 MDAs, procured goods and services from suppliers and service providers amounting to TZS 3.59 billion without using competitive procurement method.

In addition, I found out that 16 entities made micro procurements of TZS 1.42 billion as an excuse to make procurement through imprest to avoid routine competitive procurement procedures; and 16 entities, procured goods and services of TZS 77.62 billion without using TANEPS system.

(xii) Comprehensive Contract Management Performance Audit

I assessed the efficiency and effectiveness of water projects management systems in 55 RUWASA district offices in 25 regions. Of the sampled 74 water projects worth TZS 90.52 billion, I found 27 issues requiring management attention. The identified problems have resulted in a total loss of TZS 5.6 billion and could lead to a further TZS 4 billion loss.

In my assessment, I noted 11 faulted projects, three with unproductive structures, two with unsafe water and six with inadequate preliminary designs. I further noted a delay in water services in 18 projects worth TZS 30.53 billion. These projects cost the government additional funds, risk community well-being, and impact the national economy.

(xiii) Government Executive Agencies, Special Funds and Other Institutions

During the audit of TBA, I noted that on 23 September 2020, TBA was terminated by Ubungu Municipal Council in a project worth TZS 6.30 billion for the construction of Ubungu Municipal Director's Office Block due to underperformance. Thus, TBA lost potential revenue from the project and tarnish its image as far as construction projects are concerned.

TGFA continued to reflect substantial operations outstanding bills of maintenance reserve charges of TZS 74.09 billion which was not paid by ATCL up to 30 June 2021.

TANROADS, I noted that the construction for the upgrading of Mwigumbi - Maswa Road (50.3 km), worth TZS 72.24 billion, was substantially completed and handed over but was substandard. During the defect liability period, the road started to experience cracks, potholes, and bleeding in some sections. My site verification in December 2021 in respect of the progress made on remedial works revealed that the defects pertaining to the road had prolonged to the intact road section. Also, the actual duration for performing the remedial works was not ascertained.

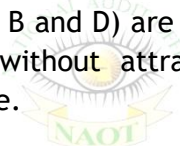
At TARURA, I noted that on 15 October 2019, the Agency terminated the contract for the Construction of Mbuchi Bridge at Rufiji Delta due to the underperformance of the contractor and failed to recover a sum of TZS 1.82 billion from contractors concerning various contractual claims against contractors.

Regarding DART audit, I noted that 1,107 accidents had occurred in BRT infrastructures from May 2016 up to the time of audit in September 2021. I further learned that the reported accidents led to 50 deaths, 211 body injuries, and damaged properties. If relevant authorities do not enhance adequate safety and security measures, there is a risk that the loss of lives, injuries, and property damage could continue unabated.

Further, I noted that two Agencies (TANROADS and TARURA) had outstanding claims amounting to TZS 673.52 billion from contractors and consultants, thus leading the respective Agencies to be imposed with interest on delayed payments of TZS 69.61 billion as per Clause 54 of the General Condition of the Contract.

Furthermore, the review of NIDA operations revealed that, out of 13,900,000 National ID Cards targeted to be produced, only 1,705,693 IDs were produced, leaving a production target of 12,194,307 National ID cards not achieved, equivalent to 88%. Also, out of 1,705,693 IDs produced, NIDA distributed 1,463,149 IDs to registered citizens, leaving 242,544 IDs (14 per cent) yet to be distributed.

The audit of the Mining Commission revealed that the Government had not commenced the extraction of tanzanite gemstones since it acquired Block C mining area at Mererani from Tanzania One Company Limited on 13 May 2020. Also, I noted illegal mining activities in the area where small-scale miners from other Blocks (Block B and D) are illegally extracting tanzanite gemstones from underground without attracting the attention of the Tanzania People's Defence Force.



From the audit of Tanzania Wildlife Management Authority, I observed that the Agency conducted e-auction on various hunting blocks, whereby six companies (highest bidders) were awarded hunting blocks and paid a total of TZS 282.50 million to the Government. However, I noted that the Minister (Ministry of Natural Resources and Tourism) terminated and nullified the whole process of e-auction without considering that the e-auction was conducted electronically.

(xiv) Operational Performance of Referral and Specialized Hospitals

I noted a frequent shortage of drugs and medicines at Referral and Specialised Hospitals worth TZS 21.06 billion due to the unavailability of drugs and medicine from the MSD. Further, I found a loss of revenue due to the rejection of insurance claims TZS 3.18 billion from NHIF.

In addition, I found a lack of essential equipment in doctors' consultation rooms, insufficient measures taken to reduce maternal and neonatal mortality, inadequate delivery of Referral Services in Regional Referral Hospitals (RRHs), underutilisation, unserviceable and non-function of

hospital equipment and machines, abandoned buildings, and slow progress of construction of regional referral hospital buildings.

(xv) Audit of Tanzania Embassies, High Commissions and Missions

I noted undeveloped Government plots, abandoned buildings, Unserved assets, unused vacant buildings and there was also a delay to rehabilitate mission's buildings for a period ranging from 48 to 120 months in Kampala and Maputo, respectively hence, I noted significant increase in rent of TZS 3.43 billion and USD 186,000 for the leased houses in Embassies and High Commissions.

I further found that the Government made nugatory payments of USD 2.74 million (Equivalent to TZS 6.34 billion) due to delay in settling Legal obligations. Also, I noted a loss of USD 11.84 million (TZS 27.23 billion) in Managing Investment Property in the Permanent Mission of the United Republic of Tanzania to the United Nations, New York and misappropriation of visa fees of TZS 33,712,332 in Addis Ababa Embassy, Ethiopia.

(xvi) Audit of Political Parties

This year, I have audited all 19 political parties and I found that three parties had failed to submit their financial statements by the statutory deadline of 30 September 2021. I further revealed that seven political parties did not prepare their financial statements as per the IPSAS framework; five political parties made payments totalling TZS 146.39 million without supporting documents, TZS 796.4 made by CCM and CHADEMA without appropriate approvals; and 10 political parties, collected revenue of TZS 571.41 million from various sources and expensed the same before being banked.

I also noted that TLP did not declare its assets to the Registrar of Political Parties and had been penalized by RITA for failing to file previous annual returns of the Board of Trustees members. Further, I found that CCM is involved in 108 pending lawsuits in various courts, with a total value of TZS 3.63 billion.

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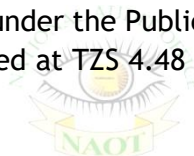
(xvii) Special and Forensic Audits

I conducted seven special audit and four forensic in different entities;

I examined revenue collection records at KIA Immigration Department and found that 21,208 visa sticker records related to non-residents, who should have paid visa on arrival, had been permanently deleted from the visa revenue collection system (VAS) resulted to a loss of TZS 2.42 billion.

On Rehabilitation of Buildings, Water and Sewerage Systems, ICT infrastructures, and Electrical Systems at Ilonga Teachers College (ITC), I found (ITC) had purchased building materials worth TZS 242.98 million that were not included in the BoQ and some of the work in the BoQ had no supporting drawings.

On the special audit of the Assets and Liabilities of Moshi Arusha Occupational Health Services (MAOHS) there were allegations that the entity was not owned by the government. In my audit, I confirmed that this is a government entity formed under the Public Corporations Establishment Order and had total assets valued at TZS 4.48 billion and total liabilities of TZS 610.31 million.



On the forensic audit of rehabilitation and remodeling of Mzumbe secondary School, I found that the tender for rehabilitation and modelling of Mzumbe Secondary School was awarded to National Housing Corporation (NHC) for TZS 999.74 million without the involvement of Tanzania Education Authority's (TEA) Tender Board. I found that NHC completed works worth TZS 1.088 billion, but TEA paid TZS 1.22 billion, which included unperformed works worth TZS 141.73 million.

I Assessed the Implementation of Rural Electrification Projects in REA Phases II and III in the Mara Region and found that materials worth TZS 329.62 million for 10km of medium-voltage line work that was not completed were not returned to REA, resulting in a TZS 329.62 million loss to the government. I attributed the loss to TANESCO's shortcomings in project supervision.

On the assessment of construction of Mwasonge Bridge worth TZS 1.86 billion I noted that the contractor was unfairly awarded and TARURA

Mwanza had allowed the contractor to implement additional works amounting to TZS 187.18 million without tender board approval.

Forensic Audit on the Alleged Fraud in the Redemption of Mutilated Bank Notes at the Bank of Tanzania (BoT) I found that 399,392 banknotes worth TZS 3.99 billion had not met redemption criteria and had been fraudulently redeemed by two redeemers and four cashiers from BoT.



CHAPTER ONE

AUDIT OPINIONS

1.0 Introduction

Audit opinion is formed based on an evaluation of the conclusions drawn from the audit evidence obtained as to whether the financial statements as a whole have been prepared in all material respects in accordance with the applicable financial reporting framework (such as IFRS or IPSAS). The opinion is expressed in accordance with International Standards of Supreme Audit Institutions (ISSAI) 1700.

This is achieved by designing the audit so that it will enable the auditor to obtain reasonable assurance based on the evaluation of findings against the set materiality.

1.1 Types of Audit Opinion

There are four different types of opinions:

- i) **Unqualified opinion** - is expressed when the auditor concludes that the financial statements are prepared in all material respects in accordance with the applicable financial reporting framework.
- ii) **Qualified opinion** - is expressed when the financial statements are fairly presented except for the effect of a matter(s):
 - Sufficient appropriate audit evidence obtained, auditors conclude that misstatements, individually or in aggregate, are material but not pervasive to the financial statements; or
 - Unable to obtain sufficient appropriate audit evidence on which to base the opinion, but auditor concluded that the possible effects on the financial statements of undetected misstatements (if any) could be material but not pervasive.
- iii) **Adverse opinion** - is expressed when the auditor has obtained sufficient appropriate audit evidence to support the misstatement and effect of misstatement individually or in the aggregate are both material and pervasive to the financial statements.

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- iv) **Disclaimer of opinion** - This is when an auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion; Auditor concludes that the possible effects of undetected misstatements on the financial statements, if any, could be both material and pervasive.

An auditor shall disclaim an opinion, in extremely rare circumstances involving multiple uncertainties, conclude that, notwithstanding having obtained sufficient appropriate audit evidence regarding each of the individual uncertainties, it is not possible to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements.

1.2 Emphasis of Matter Paragraph in Auditor's Report

If I consider it necessary to draw users' attention to a matter presented or disclosed in the financial statements that, in my judgment, is of such importance that it is fundamental to users' understanding of the financial statements, I include an Emphasis of Matter paragraph in my report provided I have obtained sufficient audit evidence that the matter is not materially misstated in the financial statements. Such a paragraph refers only to information presented or disclosed in the financial statements.

1.3 Key Audit Matters

Key audit matters provide additional information to users of financial statements to assist them in understanding matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of a particular entity. Communicating key audit matters enhance the communicative value of the audited financial statements by providing greater transparency about the audit that was performed.

1.4 Audit Opinion Issued During the Year

During 2020/21, I concluded the audit of 331 Central Government entities and issued opinions to 327 entities. I did not issue audit opinions to four

entities² because they did not prepare and submit financial statements. Therefore, I focused only on the evaluation of their internal controls.

Out of 327 opinions, 315 (96.33%) were unqualified opinions, five (1.53%) qualified opinions, five (1.53%) adverse opinions and two (0.61%) with disclaimer of opinion. For details of Opinions issued, **see Appendix I**, while the basis for Qualification, Adverse and Disclaimer of opinions issued are detailed in **Appendix II**, **Appendix III** and **Appendix IV**, respectively.

1.5 The trend of Audit Opinions

A trend of audit opinions issued to Central Government Entities for the five consecutive years from 2016/17 to 20120/21 is as shown in **Table 3**

Table 3: Trend of Audit Opinions

OPINION	ANNUAL GENERAL REPORT				
	2016/17	2017/18	2018/19	2019/20	2020/21
Unqualified	207	197	253	278	315
Qualified	23	9	24	12	5
Adverse	5	2	5	2	5
Disclaimer	4	6	12	9	2
Total	239	214	294	301	327

Source: Analysis of Audited Financial Statements

1.6 Report on Compliance with Procurement Act and Regulations

In connection with the audit of financial statements, my audit extended to include an assessment of the entity's compliance with laws and regulations and the effectiveness of the internal control systems as per the requirements of ISSAI 4200. Further, my extension of the audit complied with the requirement of Sect. 48(3) of Public Procurement Act, 2011, which requires me to state in my annual audit report whether or not the audited entity has complied with the provisions of the Act and its accompanying Regulations.

Based on the audits I conducted for 2020/21, non-compliances with the Procurement Laws were observed in 184 central government entities (56% of total audited entities). These include irregularities in preparation and implementation of annual procurement plans, procurement of goods and

² Constituencies Development Catalyst Fund (CDCF), Ifakara Urban Water Supply and Sanitation Authority, Tunduma Water Supply and Sanitation Authority and Tunduru Urban Water Supply and Sanitation Authority

services out of TANePS, procurement of goods without competitive quotations, procurement made without Tender Board approval, substantial delay in delivery of goods and services etc. The entities found with non-compliances are listed in **Appendix V**. Moreover, Chapter Nine of this report provides details of non-compliance with procurement legislative requirements.



CHAPTER TWO

IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

2.0 Introduction

This chapter summarises implementation status and actions taken by Accounting Officers towards my audit recommendations issued to management and those charged with Governance.

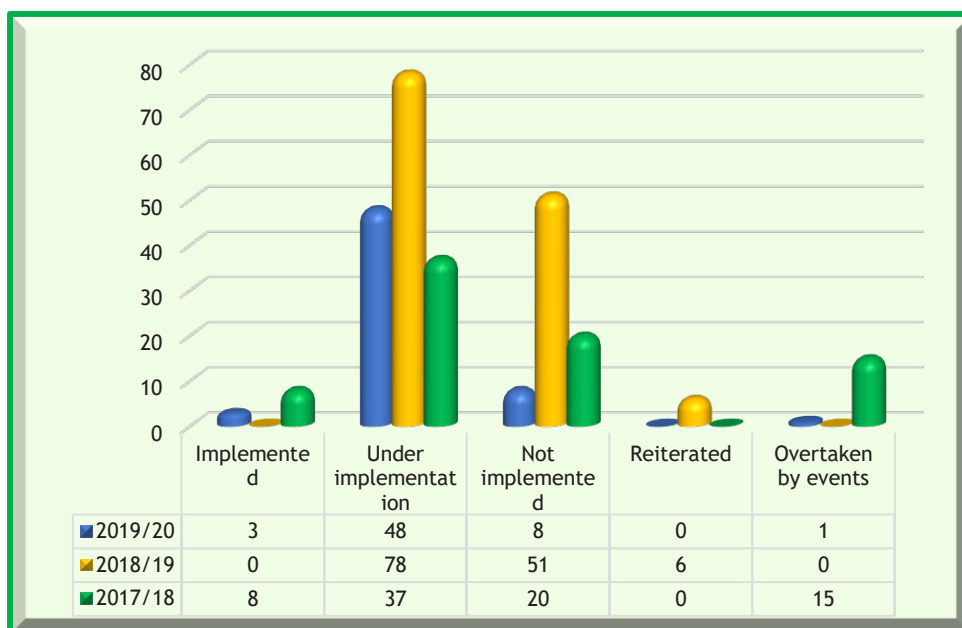
I have completed a follow up of previous years' audit recommendations to determine whether the Paymaster General and Accounting Officers have taken appropriate corrective actions on recommendations made during the financial year 2019/20. I appreciate the effort made by the PMG in responding to my reports and providing an action plan on implementation of the recommendations.

2.1 Follow up on the implementation of the previous years' audit recommendation on CAG's Annual General Reports

Section 40 of Public Audit Act, Cap 418 requires me to incorporate the implementation status of the action plan prepared by Accounting Officers and consolidated by Pay Master General (PMG) in the Annual Audit Report. In compliance with the above law, the Government through PMG submitted to me responses regarding recommendations issued in my report for the financial year that ended on 30 June 2020. For the year ended 30 June 2020 I issued 205 recommendations which included 21 special audit recommendations. Out of 205 recommendations, PMG responded to only 60 recommendations through the structured responses received through a letter with reference No. CHA.114/474/01/84 dated 30 June, 2021. Out of the 60 responded recommendations, 3 (5%) have been implemented, 48 (80%) are under implementation, 8 (13%) are not implemented and 1 (2%) was overtaken by events.

My assessment on the three years implementation status of my recommendations shows that, out of 275 outstanding key audit recommendations from my previous years' annual report, 11(4%) recommendations were fully implemented, 163(59%) are under implementation, 79(29%) were not implemented while 16(6%) were overtaken by events and 6 (2%) recommendations were reiterated. Details of the status of implementation are shown in **Appendix VI** and **Figure 1**

Figure 1: Graphical Representation of Status of PMG implementation on CAG's Recommendations



Source: PMG responses to General Report for the year 2019/20

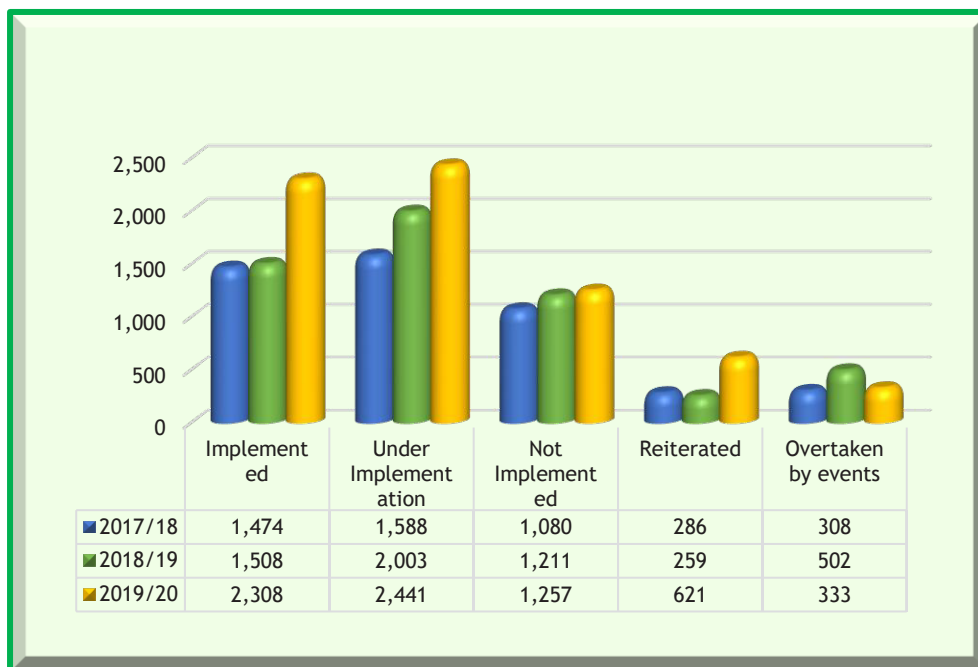
Delays in implementation of my recommendations imply that the deficiencies noted have not been fully addressed and are likely to recur as a result MDAs are exposed to the same weaknesses.

2.2 Implementation Status of Previous Years' Audit Recommendations from Individual Audit Reports

During the year under audit, I followed up on the implementation of previous year's audit recommendations in 301 Central Government entities with a total of 6,960 recommendations that were issued during the financial year 2019/20.

My further assessment revealed that; as at 30 June 2021, there were a total of 17,179 previous outstanding key audit recommendations. Out of 17,179 recommendations, 5,290 (31%) were fully implemented, 6,032(35%) are under implementation, 3,548 (21%) were not implemented, while 1,143(6%) were overtaken by events and 1,166(7%) recommendations were reiterated. The overall status of implementation indicates a slight improvement. Details of the implementation status of these recommendations are shown in **Figure 2**.

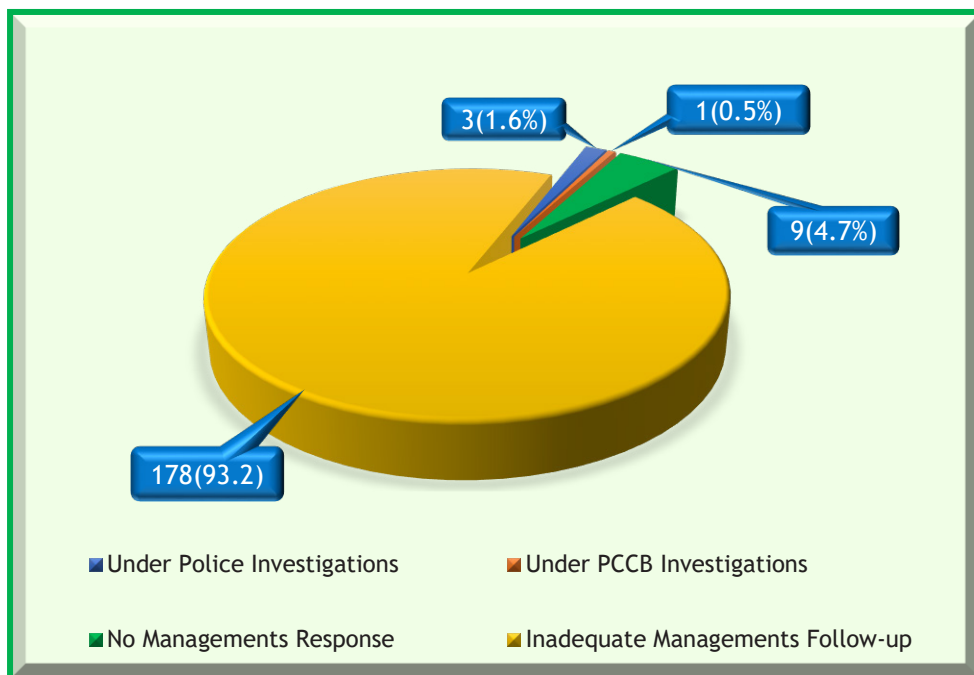
Figure 2: Graphical Representation of the status of implementation from individual reports



Source: Individual Management letters 2020/21

In addition, my assessment showed that out of 17,179 total recommendations, 191 recommendations have been outstanding for more than five years. Of the 191 recommendations, 8(4%) have been outstanding for more than ten years. The detailed analysis noted that out of the 191 recommendations, 3(1.6%) are still under police investigation, while 1(0.5%) is under PCCB investigation. On the other hand, 9(4.7%) recommendations have not been responded to by management while 178(93.2%) have not been adequately followed up by management. The implementation status of these recommendations showed that, 128(67%) are still under implementation, and 63(33%) are not yet implemented. Details of the status are shown in **Figure 3**.

Figure 3: Status of Previous Years' Audit Recommendations outstanding for more than five years.



Source: Individual Reports 2020/21

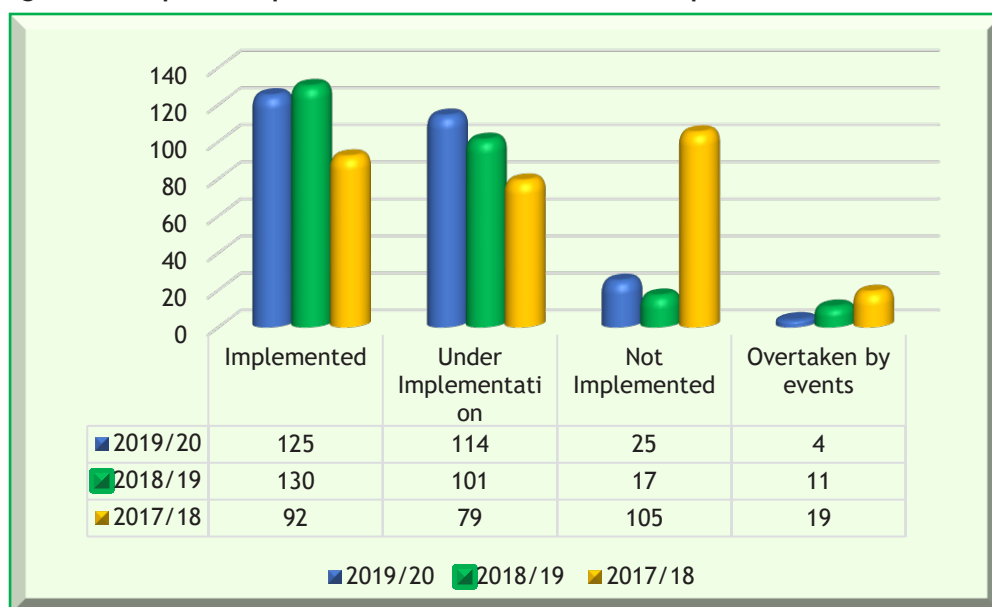
2.3 Follow up on the implementation of the PAC's directives

The Public Accounts Committee (PAC) is the highest oversight organ for MDAs, according to Regulation 14 of Parliamentary Standing Order, revised edition of January 2020. The Committee's responsibilities are precisely detailed under regulation 14 of the Parliamentary Standing Order's eighth addendum version. The CAG reports are essential inputs to the Committee informing the PAC activities.

I acknowledge the continuous support received from the PAC, by taking necessary actions on recommendations that I make in my reports which makes my statutory responsibilities being useful.

My assessment on the implementation status of PAC directives up to the financial year 2019/20 revealed that; out of 822 PAC issued directives from my previous years' report, 347(42%) were fully implemented, 294(36%) are under implementation, 147(18%) were not implemented while 34(4%) were overtaken by events. Details of the status of implementation of PAC directives are shown in **Figure 4**.

Figure 4: Graphical representation of PAC directives implementation.



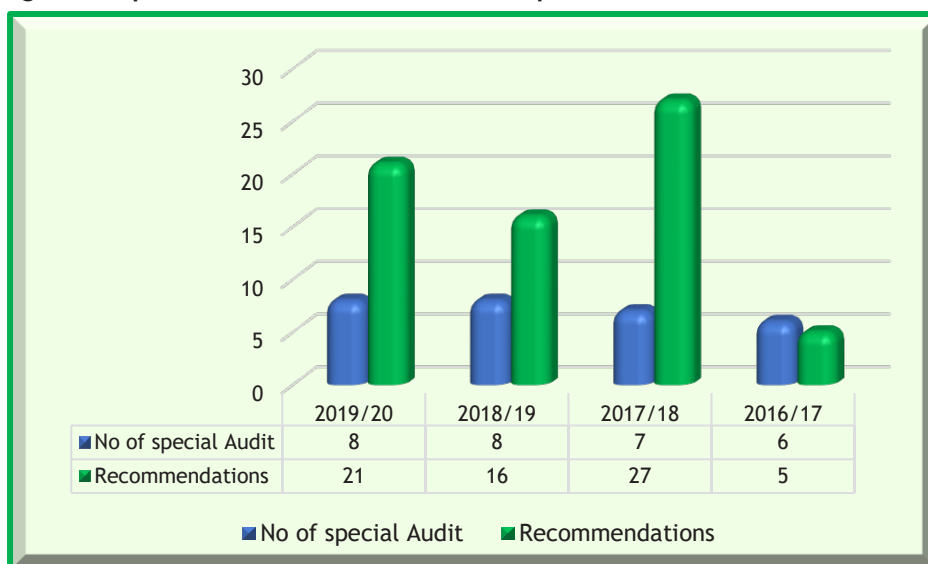
Source: Management letters for the years 2017/18 to 2020/21

2.4 Status of Previous Audit Recommendations on Special Audits

Following section 29(2) of the Public Audit Act, Cap. 418, the Controller and Auditor-General, on request by any person, institution, public authorities, ministries, departments, agencies, local government authorities and such other bodies, may undertake any special audit. Also, according to Regulation 79(1) of Public Audit Regulation, 2009, the Controller and Auditor-General is not bound to accept such a request. Moreover, Regulation 80(2) allows the Controller and Auditor General to modify the audit scope as he shall deem necessary.

For the past four years (2016/17 to 2019/20), I conducted 36 special audits. Out of these 36 special audits, seven were requested by PCCB whose recommendations were not reported in my report. As such, I have not reported follow up on the implementation status of those recommendations. The follow up on the implementation status of the remaining 29 special audits revealed that all 69 recommendations were under implementation. Details of the implementation status are shown in **Appendix VII** and **Figure 5** below;

Figure 5: Special Audits Conducted for the past Four Years



Source: General reports 2016/17-2019/20

Delays in implementation of my recommendations means that the deficiencies identified have not been addressed and are likely to continue exposing the entities to the risk of fraud, inefficiencies and the failure to deliver on their mandate.

In this regard, management is advised to implement the outstanding audit recommendations in order to solve the notable weaknesses by addressing the related root causes to minimize or eliminate future occurrence.

CHAPTER THREE

EVALUATION OF INTERNAL CONTROL, RISK MANAGEMENT AND GOVERNANCE

3.0 Introduction

This chapter highlights audit findings from the Central Government entities relating to various elements of internal controls including; performance of the audit committees, the performance of the internal audit function, risk assessment process, fraud prevention and controls as well as governance issues.

3.1 Governance

As per the Ministry of Finance and Planning Guidelines for Enhancing Internal Control Frameworks in Public Sector Organizations, December 2014, governance is a set of systems, principles, and processes by which the organisation is governed. They provide the guidelines for how the organisation can be directed or controlled and how it can fulfil its goals and objectives to add to the organisation's value and benefit all stakeholders in the long term.

As a result, I conducted relevant audit procedures to evaluate the effectiveness of the internal controls relating to the operation of the government entities as well as the established governance systems, including the existence and performance of the governing boards, and noted the following weaknesses:

3.1.1 Non-Preparation of Budget and Operational Plans for the National Information Communication Technology Broadband Backbone (NICTBB)

In 2004, the government, through the Ministry of Communication and Transport (the Ministry), undertook the initiative to develop a National ICT Broadband Backbone (NICTBB), which was then handed over to Tanzania Telecommunications Company Limited (TTCL) on 7 February 2005, for its management. TTCL was assigned with the responsibilities of maintenance, expansion, and further development of the backbone on behalf of the Ministry. As of 30 June 2021, NICTBB assets were estimated to have a net book value of USD 112.35 million, equivalent to TZS 258.28 billion and generated revenue was USD 12.59 million, equivalent to TZS 28.95 billion.

Clause No. 9 of the management contract between the Ministry and TTCL (the Manager) for operational management of National ICT Broadband Backbone (NICTBB) requires TTCL at least 60 days before the first day of each contract year, to prepare and submit to the Ministry a proposed budget for the next three years or the remaining term of agreement, whichever is shorter. However, my audit noted that during that period the operating budget plan for three years was not prepared as per the contract. I further noted that, there was no strategic plan that outlines the goals and direction of the Backbone as well as the means to achieve targets as required by Article no. 13 of the contract.

From my view these anomalies were attributed to non-compliance with the terms of the contract by both parties.

The absence of an operational and budget plans prevents management of NICTBB from overseeing and better understanding how its short and long-term objectives will be financed. Likewise, how performance will be measured.



I urge both parties to adhere to the terms of the contract and ensure that the necessary documents are prepared for guidance over implementation of NICTBB short and long-term objectives.

3.1.2 Non-Establishment of the Governing Boards

The Ministry of Finance and Planning Guidelines for Enhancing Internal Control Frameworks in Public Sector Organizations, December 2014, states that a governing board is the top oversight body in an organisation, including a board of directors, a council, or any similar organ. Governing boards play a vital role in overseeing and making key strategic decisions. For ministerial advisory boards, Section 6 (1) of the Executive Agencies Act, 1997 (GN No. 83 of 2003) requires the Minister responsible for the government agency to establish a Ministerial Advisory Board, and for other institutions, boards are established as per their establishment mandates.

I reviewed advisory boards' correspondence and noted four entities with no established governing boards for a period ranging from three to five years. Further scrutiny noted that delays in establishing and appointing board members are a source to this anomaly. **Table 4** summarises entities found with this anomaly.

Table 4: Entities with no Governing Boards

SN	Entities	Anomalies Noted	Establishment Mandate
1.	Information and communication Technologies Commission (ICTC)	No Commission's Governing Board for a period of more than five years.	ICTC (Establishment) Instrument of 2015.
2.	Chato Zonal Referral Hospital	Non establishment of Hospital Advisory Board.	Referral Hospital Advisory Board Guideline of June, 2016.
3.	Community Based Conservation Training Centre	Non establishment of Ministerial Advisory Board.	Section 6(1) of the Executive Agencies Act 1997.
4.	National Water Fund	Non establishment of the Board of the Fund since 2019.	Section 58 (1) of the Water Supply and Sanitation Act, 2019

Source: Individual Management Letters 2020/21

I am concerned that in the absence of governing boards, the functions of the boards of the respective entities will not be executed on time and thus result in delays in making strategic decisions.

I recommend that responsible authorities should appoint board members and ensure there is a well-established board that exercises their responsibilities in overseeing entity's operations.

3.1.3 Expired Tenure of the Governing Boards

As enlightened in paragraph 3.1.2 above, there is a need and importance of having an active governing board that provides the guidelines on how the organisation can be directed or controlled. My further review also noted that the tenures of the boards in ten sampled entities had expired for up to five years, but there had been no appointments of new boards as detailed in Table 5.

Table 5: Entities with Expired Governing Boards

SN	Entities	Anomalies Noted	Establishment Mandate
1	Tanzania Wildlife Protection Fund	Tenure of the Board of Trustees expired since June 2, 2014.	Section 92(1) of the Wildlife Conservation Act, 2009
2	Mbeya Zonal Referral Hospital	No appointment of new Hospital Advisory Board members since expiry.	Referral Hospital Advisory Board Guideline of June, 2016.
3	Tanzania Cooperative Development Commission	The Commission of the Cooperative expired since August 15, 2020.	Section 7(1) of the Cooperative Society Act No.6 of 2013.
4	National Irrigation Commission	No appointment of board members	Section 3 (6) of the National Irrigation Act No. 5 of 2013.

SN	Entities	Anomalies Noted	Establishment Mandate
5	Tanzania Official Seed Certification Institute (TOSCI)	The Management Committee expired on May 3, 2021.	Section 10 of the Seed Act, 2003.
6	Beekeeping Training institute	Institute Advisory Board had expired since December 11, 2020.	National Council for Technical Education (NACTE) Guideline, 2016.
7	Bukoba Regional Referral Hospital	The hospital board expired on June 11, 2020.	Referral Hospital Advisory Board Guideline of June, 2016.
8	Geita Regional Referral Hospital	The hospital board expired on December 18, 2019.	Referral Hospital Advisory Board Guideline of June, 2016.
9	Morogoro Regional Referral Hospital	The hospital board expired on January 2020.	Referral Hospital Advisory Board Guideline of June, 2016.
10	Simiyu Regional Referral Hospital	The hospital board expired on January 2021.	Referral Hospital Advisory Board Guideline of June, 2016.

Source: Individual Management Letters 2020/21

Furthermore, I noted that three of the existing advisory boards failed to conduct the required number of meetings as a result of having a large number of board members whose tenure had expired and the remaining members could not constitute the required quorum to undertake the functions of the boards. A detailed list is presented in **Table 6**.

Table 6: Entities Failed to Conduct Board Meetings

SN	Entities	Anomalies Noted	Establishment Mandate
1	Mbeya Regional Referral Hospital	The Hospital Advisory Board conducted only one meeting in August, 2020.	Para 2.4 of the Guideline for Regional Referral Hospital Advisory Board of June, 2016.
2	TANROADS	Failure of the TANROADS Board to hold meeting for two quarters of the financial year 2020/21.	Section 3(1) in the Fifth schedule of Road Act No. 13 of April 2007.
3	Musoma Regional Referral Hospital	The Hospital Advisory Board conducted only one meeting in January, 2021.	Para 2.4 of the Guideline for Regional Referral Hospital Advisory Board of June, 2016.

Source: Individual Management Letters 2020/21

I attribute these anomalies to delays in the appointments of board members by the respective authorities.

I am of the view that the absence of an active board leads to decision-making delays. Likewise, performing board responsibilities by an expired board may lead to a failure to hold them accountable for their decisions.

I recommend that responsible authorities appoint members prior to tenure expiration to ensure active boards are in place for overseeing entities operations.

3.1.4 Performance Measurement of Five-Year Strategic Plans

A strategic plan is a formalized road map that describes how the entity executes a chosen strategy and spells out the direction of the entity over the next specified period of time and how to get there. Strategic plan outlines what the entity is doing and aspiring to achieve. It set priorities, focus energy and resources, and strengthen operations to ensure that employees and other stakeholders are working towards common goals and how they will contribute to the national long-term goals and the development agendas.

Government entities have been implementing their strategic plans covering different periods. However, in financial year 2020/21, strategic plans covering the period from 2016/17 to 2020/21 came to an end, while others are in different phases of implementation.

During the financial year 2020/21 audit, I made an assessment of the existence and performance of strategic plans that have come to an end and those that are near to completion. My assessment found that one entity whose strategic plan ended in 2020/21 did not prepare an implementation report, while the other entity was observed with a low pace in the implementation of the targeted objectives. I further noted that five entities have been operating without or with expired strategic plans as detailed in **Table 7**.

Table 7: Entities with Anomalies on Implementation of Strategic Plans

SN	Category	Entities	Anomalies noted
1.	Vote 46	Ministry of Education	<ul style="list-style-type: none"> There has been no new strategic plan since the 2016/17 to 2020/21 plan expired. A Report on the Implementation of the 2016/17-2020/21 Strategic Plan is yet to be prepared.
2.	RRH	Katavi Regional Referral Hospital	The hospital is operating without strategic plan since expiry of 2015/16-2019/20 plan.
3.	RRH	Sokoine Regional Referral Hospital	The hospital is operating without strategic plan since its expiry in 2019/2020.
4.	RRH	Tabora Regional Referral Hospital	The hospital is operating without strategic plan since its expiry in June 2020.
5.	RS	Dodoma Regional Secretariat	Dodoma Regional Secretariat operate under expired strategic pln. The plan expired on 30 June 2021.
6.	Other Institutions	Traditional and Alternative Health Practitioners Council (TAHPC)	Slow pace in implementation of targeted objectives; <ul style="list-style-type: none"> Out of 47,000 five-year planned registrations, only 17,121 registrations have been made equivalent to 36%, Failure to register 75% of 30,121 THPs by June 2021, only 1% were achieved.

Source: Individual Management Letters 2020/21

Management oversight in assessing implementation and timely preparation of new strategic plans results in these shortcomings.

Lack of a strategic plan implies that implementation of activities aimed at achieving the entity's mission and long-term objectives may not be properly guided. Likewise, failure to report limits the ability to evaluate the previous plan's performance.

I recommend management to expedite the process of formulating and implementing new strategic plans as well as report on the performance assessment of the preceding plans. Further management concerned are advised to set realistic targets that can be achieved within the agreed timeframe.

3.2 National Educational Advisory Council Not Established

The functions and organization structure of the Ministry of Education, Science and Technology which was approved on 7 July 2018 shows existence of national education advisory council. Also, Sect. 6 of the Education Act

CAP 353 No. 6 of 1978 (revised 2002) on establishment of Educational Advisory Council states that, the Minister shall, by an order published in the Gazette, establish an Educational Advisory Council which shall consist of such number of persons as he shall determine.

My audit noted that, National Education Advisory Council is yet to be established since the approval of the organizational structure, thus did not function during the year under review. In my opinion reluctance by management to comply with the Education Act attribute to this anomaly.

Failure to have an Advisory Council resulted in the unavailability of the Council that could advise the Minister upon matters relating to the execution of the national policy on matters concerning education.

I recommend that Ministry of Education, Science and Technology ensures that the Educational Advisory Council is established and functioning as the Education Act requires.

3.3 Pending Tax Matter Between the Ministry of Agriculture and Tanzania Revenue Authority for Equipment's worth USD 50,186.64 Equivalent to TZS 115.38 Million

On 9 January 2013, through the Tanzania Agricultural Research Institute (TARI), the Ministry of Agriculture signed a grant agreement of USD 6,837,744, equivalent to TZS 15.72 billion as per the BOT exchange rate of 30 June 2021, with the Bill and Melinda Gates project. One of the agreement's objectives was to facilitate the virus indexing laboratory at TARI Miocene. The grant managed to procure laboratory furniture from Sachem International-UK amounting to USD 50,186.64, equivalent to TZS 115.38 million and delivered at Dar es Salaam Port since January 2018.

However, I noted that, up to the time of this audit in September 2021, the furniture had yet to be cleared at the port due to tax issues. The Ministry requested tax exemption from TRA without success.

In my view, the value for money of the grant could not be achieved due to the delayed discharge of the furniture. Furthermore, there may be wear and tear of the furniture.

I recommend that Ministry of Agriculture, in collaboration with TRA and the Ministry of Finance and Planning, to find the best way to resolve the matter so that the furniture are released to be used for the intended objectives.

3.4 Internal Controls

Internal control is defined under Paragraph 2.2 of the Ministry of Finance and Planning Guidelines for Enhancing Internal Control Frameworks in Public Sector Organizations of December 2014 as an integral process that is effected by an entity's management and personnel and is designed to address risks and to provide reasonable assurance that in pursuit of the entity's mission, the following general objectives are being achieved: Executing orderly, ethical, economical, efficient and effective operations, fulfilling accountability obligations, complying with applicable laws and regulations, safeguarding resources against loss, misuse and damage. Internal controls, risk management framework and good governance ensure vibrant and honest operationalization that can lead to better service delivery, more efficient use of resources, better project management and promote government operations.

Regulation 11 (3) (d) of the Public Finance Regulations, 2001 requires every Accounting Officer to establish and maintain an effective system of internal controls over the financial and related operations for which he is responsible and wherever practicable establish and maintain an effective internal audit function which shall be responsible to him for regular appraisal of the adequacy of the compliance with the system of internal controls.

During the planning and conducting of the audits, relevant internal controls for the preparation and fair presentation of the financial statements were considered to design audit procedures that are appropriate in the circumstances, but not express an opinion on the effectiveness of these controls.

3.4.1 Lack of Segregation of Duties over Administration of National Water Fund (NWF) Funds

Regulation 10 (2) of the National Water Fund Regulations, 2019 requires the Board to administer the disbursements and utilisation of funds from the NWF. It is further stated that disbursements and utilisation of funds from the Fund shall not be done without Board's prior approval. In financial year

2020/21 the Fund received TZS 168.66 billion from the Treasury for implementing water projects.

However, I noted that the Permanent Secretary Ministry of Water (MoW) approved the disbursement of funds to the implementing Agencies pursuant to Section 54 of the Interpretation of Laws Act, Cap 1 [R.E 2019], which requires the Permanent Secretary of the Ministry responsible to assume the duties of the Board in its absence for a period of up to twelve months. The MoW, being one of the water projects implementing partners, is also entitled to receive funds from the NWF where the same Ministry is acting as a Board to approve disbursements. I noted that this has been attributed to the absence of the NWF board since 2019.

In my opinion, the Ministry of Water being one of the implementing partners, can't act on their behalf to approve their disbursements as it creates a conflict of interest. I am further concerned over the accountability of the funds in the absence of the Board.

I recommend to the Fund management, in collaboration with the Ministry of Water, to liaise with respective authorities to ensure NWF Board is established.

3.4.2 Consolidated Probate Register for Judiciary Mirathi Account Not Maintained

Regulation 131(1) of the Public Finance Regulations 2001, [R.E 2004] requires the balances on individual deposit accounts at the end of the financial year to be listed and reconciled with the balances on the relevant control accounts.

During the audit, I noted that, as of 30 June 2021, the judiciary, being administrator of probate and deceased estates, had a balance of TZS 26.66 billion for the Mirathi Account maintained at the BOT. However, the balance is not supported by individual probate deposit registers; hence, bank and individual deposit register periodic reconciliations are not performed. As a result, it was difficult to determine and ascertain the beneficiaries of the probate funds. Due to that, I am convinced that there is inadequate management of probate funds held at their disposal. Lack of proper financial rules and regulations for the management of probate funds accounts attributed to this anomaly.

In the absence of proper financial controls over the probate fund account, there is a risk of funds being misappropriated or the chance of undetected fraudulent transactions.

I recommend Chief Court Administrator to ensure that; there are adequately established financial rules and guidelines for management of probate funds and develop an electronic register for accurately management of probate funds.

3.4.3 Inadequate Controls Over Miscellaneous Deposit Accounts at Sub Treasury Offices

Reg 162 (1) of the Public Finance Regulations, 2001, requires the balance of every bank account as shown in the bank statement to be reconciled with the corresponding cash book balance at least monthly, the reconciliation statement being filed or recorded in the cash book. However, during the review of the Accountant General's Department (Vote 23) sub treasury accounts, I noted various shortcomings, as detailed hereunder:

a) Long Un-cleared Items in the Bank Reconciliation Statements TZS 3.62 Billion

Among the functions of sub-treasury offices is to carry out bank reconciliations of all accounts and submit reports to reconciliation units at the head office.

I reviewed bank reconciliation statements for miscellaneous deposit accounts at each Sub Treasury listed in **Appendix VIII** and noted long un-cleared items amounted to TZS 3.62 billion as at 30 June 2021 as summarized in **Table 8**

Table 8: Long Un-cleared items in the Bank Reconciliation Statements

SN	Unreconciled Items	Within One Year (TZS)	More than a Year (TZS)	Total (TZS)
1	Receipts in bank not in cash book	1,299,819,943	-	1,299,819,943
2	Payment in bank not in cash book	168,956,679	57,324,492	226,281,171
3	Receipts in cash book not in bank	162,071,308	-	162,071,308
4	Payment in cash book not in bank	1,927,077,004	-	1,927,077,004
	Total	3,557,924,934	57,324,492	3,615,249,426

Source: Reconciliations Statements

I attribute this anomaly to untimely reconciliation and follow up of unreconciled items. Uncleared items in the bank reconciliations may conceal irregularities, thereby posing difficulties in ascertaining the reliability of the account balances.

b) Unidentified Cash Depositors in Deposit Accounts TZS 453.68 Million

My review of deposit balances and deposit registers for deposits held at three Sub-Treasuries as at 30 June 2021 noted deposits amounting to TZS 453.68 million from various depositors who were not identified by Sub-Treasuries as of October 2021. My further scrutiny noted that deposits from sub warrant holders without notification to the respective Sub-Treasuries is attributed to this anomaly. A detailed list of Sub-Treasuries with unidentified depositors is presented in **Table 9** below.

Table 9: Unidentified Depositors

Sub Treasury	Account No.	Date of Deposit	Amount (TZS)
Katavi	9921169729	Not identified	67,006,226.86
Kigoma	9921169741	May, 2018 - June, 2020	319,474,445.62
Pwani	9921169727	Not identified	67,203,704.71
Total			453,684,377.19

Source: Bank Reconciliation Statements

Untimely identification of depositors may affect decision-making by management. Likewise, deposited funds are exposed to the risk of being misappropriated.

I recommend the Accounting Officers to investigate and ensure that outstanding items are timely resolved, and ensure timely follow-up of the un-reconciled items. In addition, convey awareness to depositors that they should timely communicate with Sub-treasuries once they make deposits into deposit accounts.

3.4.4 Absence of Internal Control Procedure Manuals

Control activities are defined under Paragraph 3.5 of the Ministry of Finance and Planning Guidelines for Enhancing Internal Control Frameworks in Public Sector Organizations as of December 2014 as policies and procedures designed to identify and mitigate risks to achieve internal control objectives. It includes internal control procedure manuals, which can either include financial and administrative controls or a series of procedure

manuals. Further regulation 11 (2) of Public Finance Regulation of 2001 requires MDAs Accounting officers to establish and maintain an effective system of internal control over financial and related operations.

However, my review of the internal control activities at government entities noted that three entities did not develop their internal control procedure manuals, including documented financial rules and regulations and operational manuals for day-to-day operations, while other three entities do not use an Integrated Financial Management System (IFMS), thus placing them at a higher risk of human errors. A detailed list is provided in **Table 10**.

Table 10: Absence of Internal Control Procedure Manuals

SN	Entity	Category	Anomalies noted
1	Kawawa JKT Secondary School	Other Institutions	Absence of documented Accounting Procedures and Guidelines.
2	Bunda Water Supply and Sanitation Authority	Other Institutions	The authority does not have financial rules and regulations and stores operational manuals
3	Tanzania Gemmological Centre (TGC)	Other Institutions	Lack of Financial Policies and Accounting Manual.
4	SUMA JKT	Other Institutions	Absence of automated accounting system at SUMAJKT.
5	Forest Industries Training Institute	Other Institutions	Absence of automated accounting systems, the institute uses manual accounting
6	Mpwapwa Urban water Supply and Sanitation Authority	Other Institutions	Lack of automated accounting systems. The authority uses manual accounting.

Source: Individual Management Letters

In the absence of effective internal control procedures and a well-established operational system, processes may be overridden without management awareness. Likewise, it raises concern over the reliability of financial reporting.

I recommend management of respective entities to expedite the development of effective internal control systems that will establish controls over the management of public resources and day-to-day operations.

3.4.5 Weaknesses in the Performance of the Audit Committees

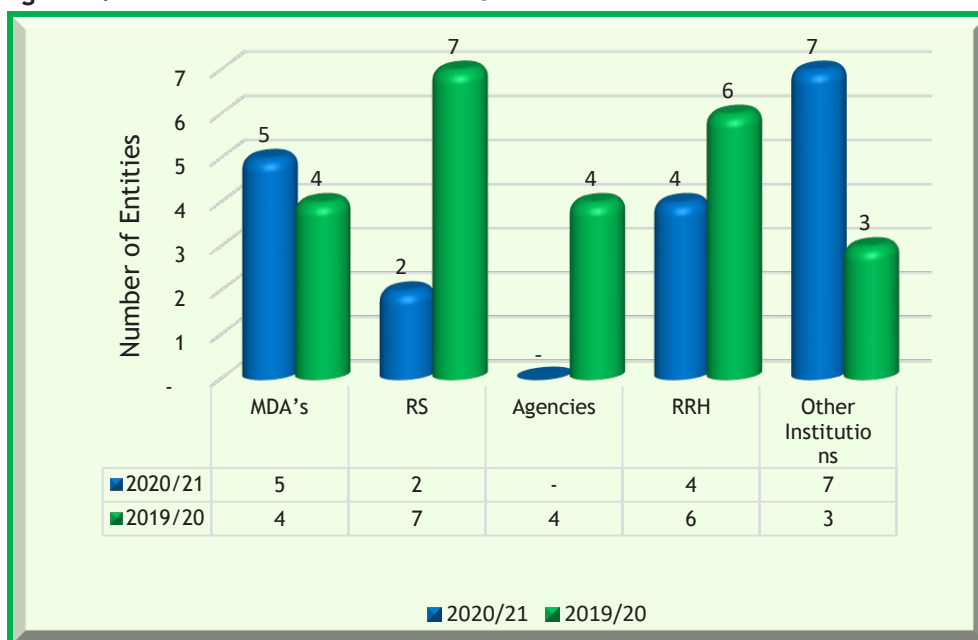
The Ministry of Finance and Planning (MoFP) Guidelines for Audit Committees in the Public Sector of December 2013 define Audit Committee as a specialist, independent oversight and advisory body established to review and give advice to the highest level of governance on the control, governance and risk management within a public sector organisation. Regulation 30 of the Public Finance Regulations, requires each MDA or regional secretariat to establish an Audit Committee. Its membership and functions have been provided for in Regulations 31 and 32 of the PFR, respectively.

The Audit Committees within the entities have the responsibilities of conducting quarterly meetings; approving internal annual and strategic audit plans of the MDA's or Regional Secretariats; reviewing all internal and external audit reports; providing advice to the Accounting Officer on action to be taken on matters of concern raised in the report of the internal auditor or in the Controller and Auditor General's report; and preparing annual reports on its functions.

However, during my review, I noted significant deficiencies in 18 entities, including five MDAs, two Regional Secretariats, four Regional Referral Hospitals and seven other institutions. The deficiencies included; non-establishment of an Audit Committee, expiry of audit committee members' tenure without re-appointment of new members, inadequate composition of the audit committee members, non-review and approval of internal annual and strategic audit plans, non-review of financial statements, quarterly meetings not conducted and non-preparation of committee's annual report.

A detailed list of the entities with deficiencies is shown in **Appendix IX**. **Figure 6** below illustrates a trend of entities with internal audit function deficiencies for the financial years 2019/20 and 2020/21.

Figure 6: Trend of Entities with Audit Committee Deficiencies



Source: Individual Management Letters Financial Year 2020/21

The number of entities with identified anomalies in their audit committee has decreased from 24 entities to 18 which is equivalent to 25%. This shows an improvement in the audit committee function compared to the prior year. In my opinion, these anomalies are attributed to management's reluctance in establishing an effective audit committee and insufficient budget. In the absence of an effective audit committee, audited entities may lack oversight over financial practices, internal controls, corporate governance issues, legal compliance, ethics, audit issues, and risk management.

I recommend the Accounting Officers of the audited entities to establish effective audit committees and provide sufficient resources to enable them deliver expected outputs.

3.4.6 Assessment on the Existence, Independence and Functionality of the Internal Audit Units

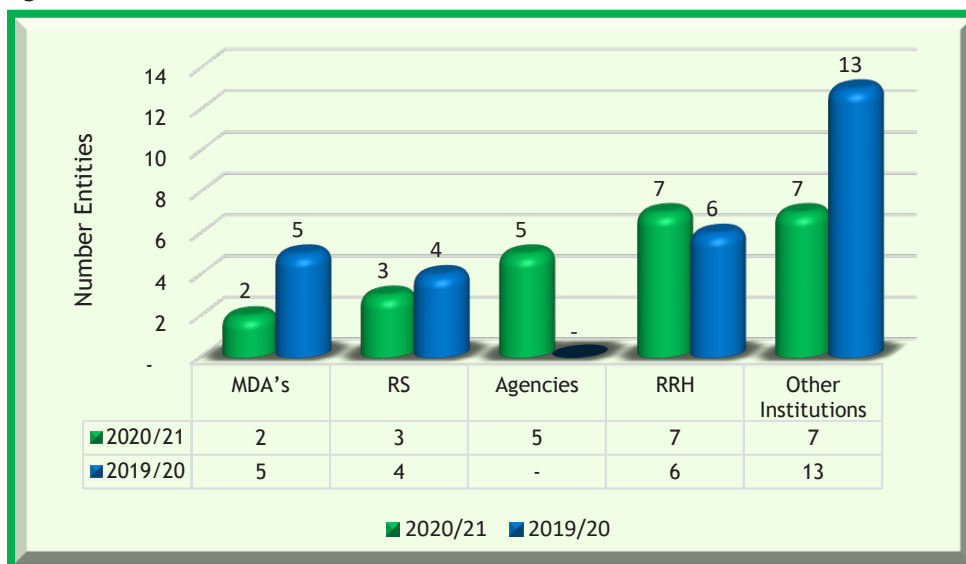
The Ministry of Finance and Planning Guidelines for Enhancing Internal Control Frameworks in Public Sector Organizations of December 2014 describe that the internal audit units provide objective assurance and advice on the overall effectiveness and adequacy of the government entity

internal control framework and each of its components. Reg.28 (1) of the Public Finance Regulations, 2001 [R.E 2004] further requires that Accounting Officer establish an effective internal audit unit to provide assurance on the adequacy and effectiveness of the entity's internal controls.

However, I assessed the effectiveness of internal audit units for the sampled entities and found that 24 entities had various deficiencies, which raises concerns over the effectiveness of their Internal Audit function. I noted that; eight entities did not establish internal audit units, nine entities' internal audit units had insufficient financial resources, 14 entities had inadequate human resources, two entities' internal audit units' staffs were not adequately trained, and three entities' internal audit units had not conducted all of their planned audits during the year.

This implies that the role of internal audit was not effectively exercised to provide independent assurance that internal control processes and risk management are operating effectively. A detailed list is in **Appendix X**, however; **Figure 7** below shows a summary of entities with deficiencies in their internal audit function and a trend for two financial years, 2019/20 and 2020/21.

Figure 7: Trend of Entities with Weaknesses in Internal Audit Function



Source: Individual Management Letters Financial Year 2020/21

Except for agencies with weak performance compared to last year, there is a notable decrease in the number of entities with internal audit function deficiencies by four, which is equivalent to 14%. This implies an overall improvement.

The anomalies noted were attributed to inadequate staff and insufficient budget for internal audit units. Moreover, the weakness resulted from laxity by management in ensuring that effective internal audit units are established within their entities.

In my opinion, the non-existence or inefficient functioning of the internal audit unit deprives the earliest chances in detecting instances of non-observance, inadequacies, and effectiveness of internal controls.

I recommend the Accounting Officers to establish internal audit units for effective internal control. In addition, ensure the units are well funded and staffed at the appropriate level to enhance performance and give assurance of internal control systems and processes.

3.5 Enterprise Risk Management and Fraud Assessment

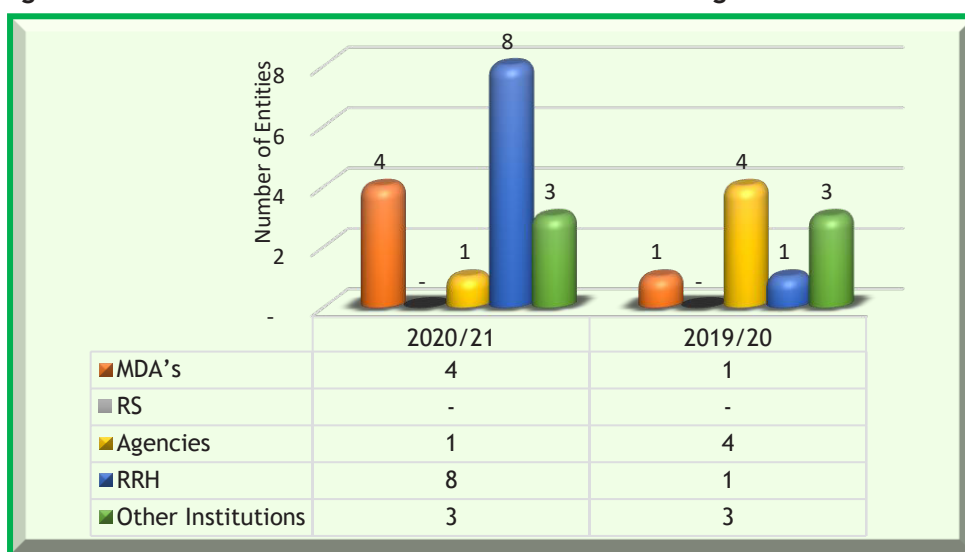
Paragraph 1.1.2 of the MoFP Guidelines for Developing and Implementing Institutional Risk Management Framework in the Public Sector of December 2012 defines Risk Management as a process for identifying, assessing, managing, and controlling potential events or situations to provide reasonable assurance regarding the achievement of an organisation's objectives. It is not synonymous with a process for avoiding risks; instead, it deals with maximising opportunities by minimising risks (to acceptable levels), thereby increasing the chances of achieving objectives. Circular No. 12 of 2013 of the Ministry of Finance and Planning requires all Accounting Officers to establish and implement an effective risk management process in their organisation.

I assessed the effectiveness of risk and fraud management processes within government entities and found 16 entities with significant anomalies in the risk management process. The anomalies include; four entities with outdated risk management policies, risk registers for four entities are not maintained, seven entities did not establish a risk management unit, and non-establishment of a risk management framework for seven entities.

I further noted three entities with deficiencies in the fraud risk management process, including the absence of documented procedures for identifying and responding to fraud risks and the absence of fraud risk management registers, as detailed in Appendix XI.

Figure 8 below represents a summary and trend of sampled entities noted with deficiencies in the risk management process.

Figure 8: Trend of Entities with Deficiencies in Risk Management



Source: Individual Management Letters Financial Year 2020/21

The above figure shows an increase of seven (78%) entities with risk management deficiencies. This shows that the weaknesses persist.

In my opinion, the reluctance of management to ensure that there is a well-established risk and fraud management process within their entities contributed to these anomalies. It is worth noting that the absence of an effective risk and fraud management process may compromise the government's efforts in meeting the intended pre-determined objectives.

I recommend that Accounting Officers of audited entities ensure risk management procedures are documented to identify and respond to risks. Furthermore, they should conduct regular reviews and carry out assessment of risk management frameworks.

CHAPTER FOUR

BUDGET PREPARATION AND EXECUTION

4.0 Introduction

In this chapter, I highlight matters relating to Government main objectives in budget for financial year 2020/21, while finalizing the National Five - Years Development Plan for the Financial years 2016/17-2020/21 which focused on the theme of “Nurturing industrialization for economic transformation and human development”, by implementing key priority areas to accelerate achievement of the strategic objectives as discussed in the Budget Speech for the Financial Year 2020/2021. The key priority areas are³;

a) Implementation of Flagship Projects

The Government decided to implement flagship projects that have multiplier effects on economic growth, job creation and poverty reduction which includes; the Julius Nyerere Hydroelectric Power Project, the construction of the Standard Gauge Railway (SGR), revamping of the Air Tanzania Company Limited (ATCL) and training professionals in specialized skills for industrial and human development.

b) Human Development

Improving Water and Sanitation to accelerating urban and rural area; Constructing health facilities, District, Regional and referral hospitals; installation of modern medical equipment in all specialized hospitals; Continuing strengthening the provision of education and training at all levels by provide free basic education; improve vocational training; strengthening inspection in primary and secondary schools, enhancing use of Information and Communication Technology (ICT) in Employment and Skills Development by increasing employment opportunities as well as strengthening the Youth Development Fund; increasing access to loans for women, youths and people with disabilities groups.

c) Improving the business and investment environment

By harmonizing various taxes and levies to promote business and investment, strengthening railway, roads, energy, airports and ports

³ Details in budget speech to National Assembly for 2020/2021; <http://www.mof.go.tz>

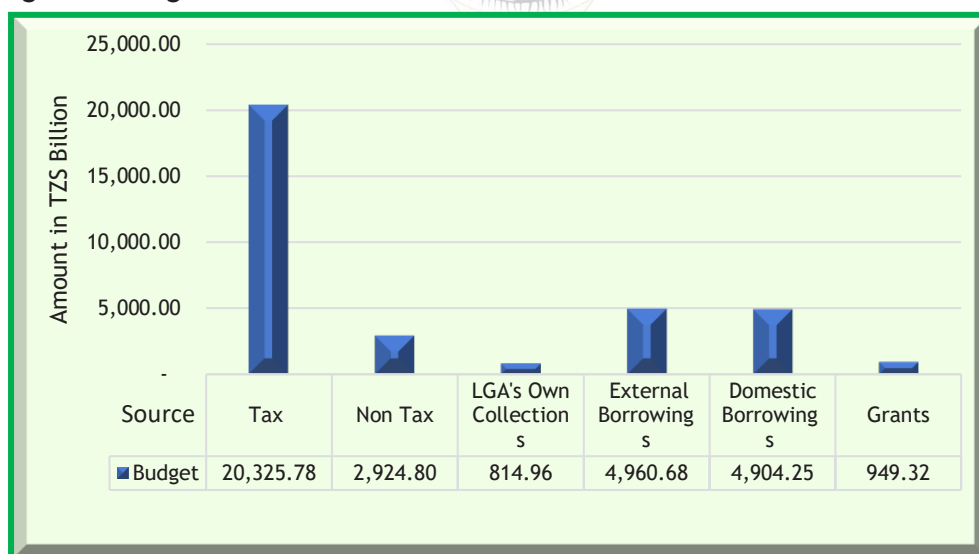
infrastructure, improving transportation services by procuring and rehabilitating passenger and cargo ships and ferries, strengthening ICT systems by expanding the National Backbone coverage to improve service delivery, speeding up cargo clearance at the port; and strengthening cooperation with the private sector.

4.1 Budget Structure for Fiscal Year 2020/21

The Government envisioned to collect and spend TZS 34,879.79 billion to implement the strategic objectives in the financial year 2020/21. This position represents an increase of TZS 1,774.38 billion or approximately 5.4 % of the previous year's approved budget of TZS 33,105.41 billion.

Domestic collections from Tax, Non-Tax and LGAs Own sources revenue was estimated to be TZS 24,065.54 billion, equivalent to 69% of the approved budget while Grants and Domestic and External borrowings were estimated to be TZS 10,814.25 equivalent to 31% of the approved budget. The allocation of collection and percentage of contribution is as shown in **Figure 9** below;

Figure 9: Budget allocation for Fiscal Year 2020/21

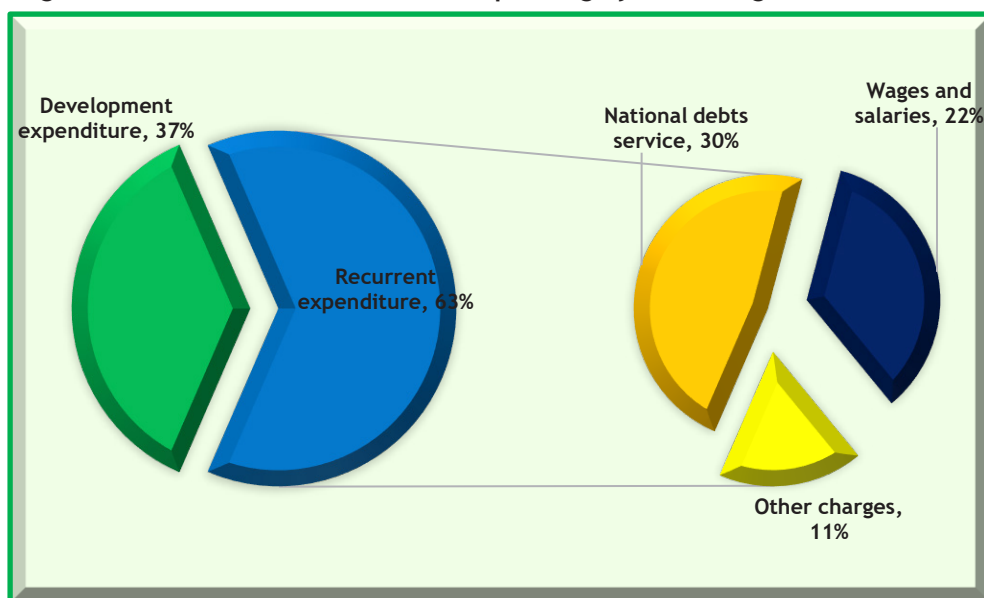


Source: Budget speech for financial year 2020/21

4.2 Government Planned Expenditures

During financial year 2020/21 The Government planned to spend TZS 34,879.79 billion which were categorized into TZS 12,899.44 billion for Development expenditure and TZS 21,980.36 billion for Recurrent expenditure. The allocation of expenditure by percentage is as shown in Figure 10;

Figure 10: Allocation of Government Spending by Percentage



Source: Budget speech for financial year 2020/21

4.3 Policy and Strategies to Increase Collection and Control Expenditure

In strengthening domestic collection, the Government set to pursue various policies and administrative measures to increase collections which included continuing to improve business and investment environment by rationalizing and reducing the rates tax, fees and levies, widening tax base and creating friendly environment with taxpayers. Also, strengthening the Office of Treasury Registrar to collect more dividends and contributions from public institutions and Tax Revenue Appeals Tribunal (TRAT) and Tax Revenue Appeals Board (TRAB), to fast-track tax objections and appeals. Further, enforcement of tax laws to address tax evasion challenges and minimize revenue leakages; and emphasizing the use of ICT systems, to strengthen domestic revenue collection including Local Government Authorities' own source revenue.

In addition to the measures taken to improve the collection of domestic revenue, the Government set necessary measures to accessing grants and loans, such as creating public awareness programmes across the country in investment in government securities, continue implementing the Development Cooperation Framework (DCF) to facilitate accessibility of grants and concessional loans; and continue borrowing from Export Credit Agencies (ECAs), which offer relatively reasonable terms.

Expenditure Policies for financial year 2020/21 included the following: Maintaining discipline and increase efficiency in the use of public funds, ensuring fiscal deficit does not exceed three percent of the GDP in line with East African Community macroeconomic convergence criteria, allocating funds to priority areas which stimulate economic growth, ensuring ongoing projects are given priority prior to committing to new ones, controlling accumulation of arrears; and enhancing the use of ICT in transactions and in all Government operations.

4.4 Review of Budget Performance

4.4.1 Collection Performance

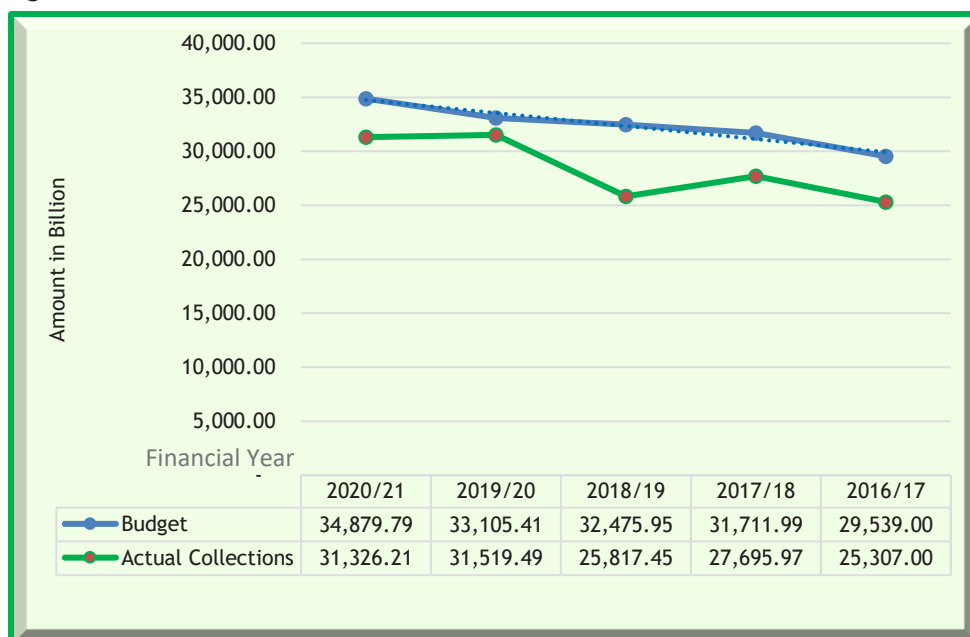
During the year, the Government collected TZS 31,326.21 billion equivalent to 89.81% of the approved estimates of TZS 34,879.79 billion. There was therefore, an under-collection of TZS 3,553.58 billion representing approximately 10.19 % of the estimated receipts.

In comparison to the actual collections of TZS 31,519.49 billion in the financial year 2019/20, the revenue collections has decreased by TZS 193.28 billion equivalent to 0.6 percent.

4.4.2 Trend of Collection Performance

Review on collections performance over the past five years shows a growth in the performance of collections. However, in each reported financial year, collections have been below the approved estimates for which I am concerned.

Figure 11: Trend of Collection Performance

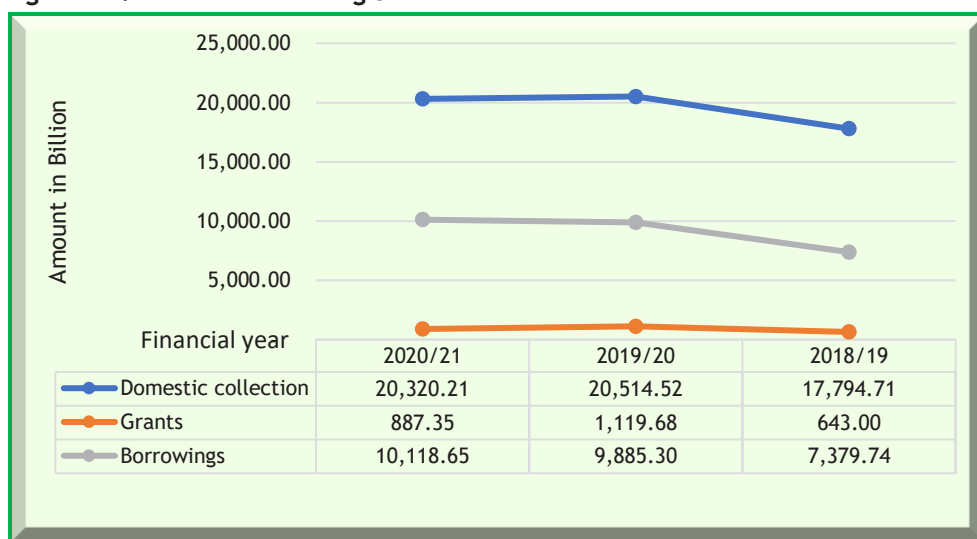


Source: Budget speech and collection assessment made in current and prior years

4.5 Financing Structure

Domestic collections from Tax, non-taxes and LGAs own source collections were TZS 20,320.21 billion, while TZS 887.35 billion emanated from Grants and TZS 10,118.65 billion from borrowing. The analysis shows that Domestic collections (Tax, non-tax and LGA's own revenue) could only finance Government expenditures by 64.87% while the remaining 35.13 % was from grants and borrowings. The trend of Financing Structure over the past three years is as shown in a **Figure 12**.

Figure 12: Trend of Financing Structure



Source: Collection assessment made Vote 21 and 22 for current and prior years

I recommend that Government and responsible Authorities, MDAs and RSs explore other domestic potential sources of revenue, to generate public revenues that will make it possible to finance investments in human capital, infrastructure, and the provision of services to the citizens.

4.5.1 Assessment of Collection Performance from each Identified Source

i. Taxes Revenue

Tax revenue from Tanzania Mainland was TZS 17,598.78 billion equivalent to 86.6% of the approved estimates of TZS 20,325.78 billion; hence the Government did not collect TZS 2,727 billion. Compared to the actual collections of TZS 17,933.20 billion in 2019/20, I noticed a decrease of collections by TZS 334.42 billion, equivalent to two percent.

ii. Non-taxes Revenue

Non-tax revenue refers to collections other than taxes collected by the Government through Ministerial, Department, Embassies, Regional Secretariat and other Entities. Review of Financial Statements and transfers made to the National Revenue Database (NRD) noted; collections from non-tax were TZS 2,023.47 billion equivalent to 69.2% of the approved estimates of TZS 2,924.80 billion, hence uncollected TZS 901.33 billion.

Compared to the actual collections of TZS 1,868.12 billion in 2019/20 I observed the increase in Non-tax revenue by TZS 155.35 billion, equivalent to eight percent. The trend shows improvement in management of collection from non-tax revenue.

iii. LGAs Own Source

Collection from LGA's own source was TZS 697.96 billion equivalent to 85.6% of the approved estimates of TZS 814.96 billion, hence uncollected TZS 117 billion equivalent to 14.36%. Comparing to LGAs own source collections of TZS 713.19 in 2019/20, I noted a decrease of collections by TZS 15.23 billion equivalent to two percent.

iv. Grants

Grants received during the year was TZS 887.35 billion equivalent to 93.5% of the estimate of TZS 949.32; the Government did not secure Grants of TZS 61.97 billion. The received Grants were mainly comprised of budget support, development projects and basket support. There was a decrease of Grants received from the mentioned sources by TZS 232.33 billion, equivalent to 20.7%, compared to TZS 1,119.68 billion reported in 2019/20.

v. Domestic Borrowings

Collections from Domestic borrowings mainly comprises of; Treasury bills and bonds intended for rollover and domestic financing, TZS 4,904.16 billion, equivalent to 100% of the estimates of TZS 4,904.25 billion was secured by the Government as domestic borrowings to finance the budget. I noted a decrease of domestic borrowings by TZS 55.83 billion, equivalent to one percent, compared to the borrowing of TZS 4,959.99 billion in 2019/20.

vi. External concessional Borrowings

External concessional borrowings received during the year by the Government was TZS 2,028.23 billion, which was in excess of the estimates of TZS 1,925.05 billion by TZS 103.18 billion equivalent to five percent. There is a decrease in external concessional borrowing by TZS 507.69 billion equivalent to 20.02% compared to the borrowing of TZS 2,535.92 billion in 2019/20.

vii. External non concessional Borrowings

External non-concessional borrowing received by the Government was TZS 3,186.26 billion, which was in excess of the estimates of TZS 3,035.63 billion by TZS 151 billion, equivalent to five percent. Compared to the prior year, I noted an increase in borrowings by TZS 796.87 billion equivalent to 33.35% of the non-concessional borrowings of TZS 2,389.39 in 2019/20.

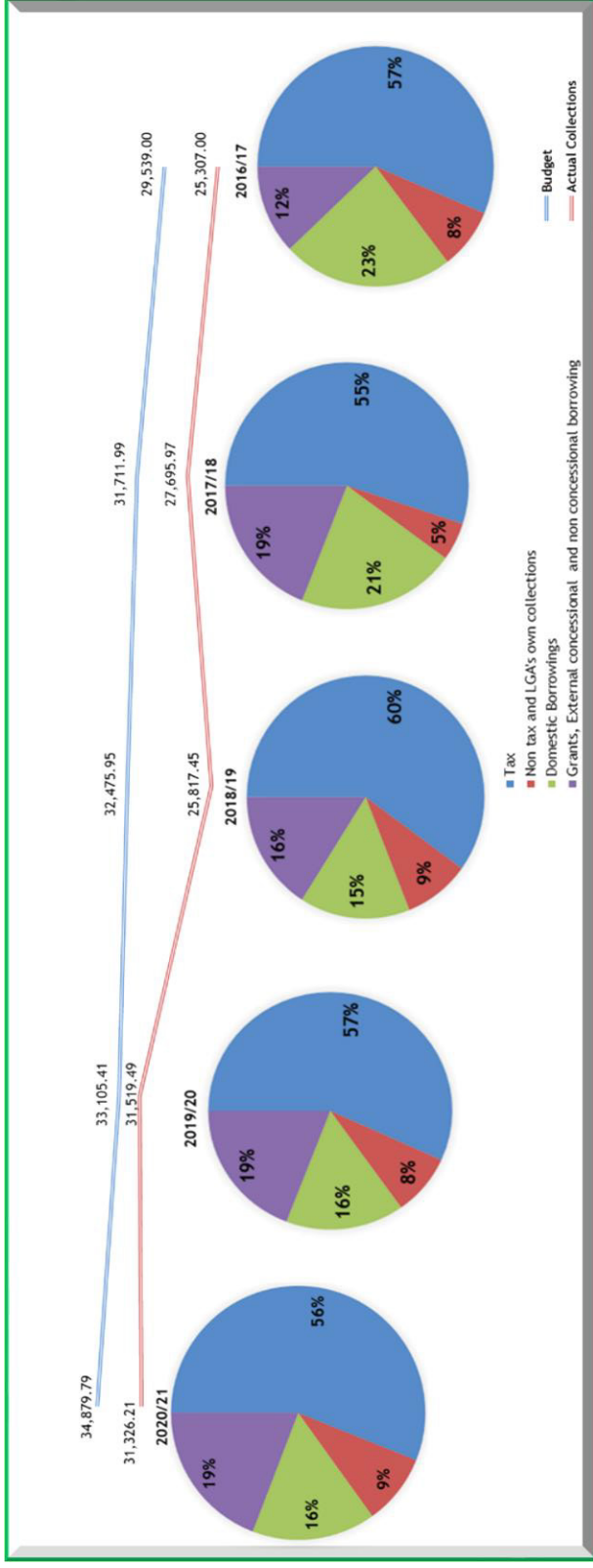
Generally, collection performance from each identified source is above 69% of their respective estimates, which suggests good collection performance. However, more effort is needed to increase revenue from non-taxes that did not perform well compared to other sources. The trend of collection performance from each identified source over the five consecutive years is shown in Table 11 and Figure 13

Table 11: The trend of collection from each identified source over the past five years

Trend of Estimates and Collections	2020/21 (TZS Billion)	2019/20 (TZS Billion)	2018/19 (TZS Billion)	2017/18 (TZS Billion)	2016/17 (TZS Billion)
Estimates	34,879.79	33,105.41	32,475.95	31,711.99	29,539.00
Actual collections	31,326.21	31,519.49	25,817.45	27,695.97	25,307.00
Trend of Contribution % in round off					
Tax	56%	57%	60%	55%	57%
Non tax and LGA's collections	9%	8%	9%	5%	8%
Domestic Borrowings	16%	16%	15%	21%	23%
Grants and External Borrowings	19%	19%	16%	19%	12%

Source: Audit of Consolidated fund account

Figure 13: The trend of collection from each identified source over the past five years



Source: Audit of Consolidated fund account

4.6 Un-accounted for Collections in the Consolidated Account

I reviewed the transfer of collections made into the Consolidated Fund and noted utilization of funds before they were paid into the Consolidated Fund, contrary to Article 135 (1) of the Constitution of the United Republic of Tanzania 1977 (Revised 2005), which requires all revenue for the use of the Government to be paid into one special fund known as “the Consolidated Fund of the United Republic”. The revenues in question are as shown below:

4.6.1 Direct to Project disbursement not accounted for in the Consolidated Fund TZS 1,249.90 billion

My confirmation with Vote 22 - Public Debt and General Services noted the decrease in direct to project disbursement which was not accounted for in the consolidated fund by TZS 775.77 billion, equivalent to 38.30% from TZS 2,025.67 billion reported in 2019/20 to TZS 1,249.90 billion reported in 2020/21.

The presence of unaccounted direct to project disbursement is attributed to inadequate cooperation by responsible votes in submitting request for dummy exchequers.

I still reiterate my recommendation on adequate reconciliation and strengthening of available controls on accountability of Direct to project funds. I further contend on adequate use of the D-fund system on capturing of D-Funds as they are disbursed by lenders.

4.7 Collections and Transfers made in the consolidated fund during 2020/21

4.7.1 Reconciliation of actual Collections and Funds received in the Consolidated Fund

As mentioned earlier, during the year, the Government collected TZS 31,326.21 billion equivalent to 89.81% of the approved estimates of TZS 34,879.79 billion, implying under collection of TZS 3,553.58 billion equivalent to 10.19%. From the collections, TZS 30,071.80 billion was deposited in the Consolidated Funds, hence making a difference of TZS 1,254.41 billion.

The difference of TZS 1,254.41 is attributed to various factors which include direct disbursement of funds to projects of TZS 1249.90 and TZS 4.51 billion

for special funds. Additionally, Special funds and collections by TRA were not transferred into the Consolidated Fund as of 30 June 2021.

4.7.2 Fund transferred from Consolidated Funds

The total issues from the Consolidated Fund for both Recurrent Exchequers and Development Services Exchequers during the year 2020/21 amounted to TZS 31,314.65 billion against the total receipts of TZS 30,071.80, resulting into a deficit of TZS 1,242.85 billion as of 30 June 2021. Details of receipts and issues from the Consolidate Fund is illustrated in the **Table 12**:

Table 12: Collections versus Transfers in the Consolidated Fund Account

Source of Collections and Transfer	Amount in Billions (TZS)
Tax	17,593.51
Non tax revenue	2,023.47
LGAs Own source	697.96
Grants	887.35
Domestic borrowings	4,904.16
External Borrowing	3,964.59
Other Receipts	0.76
Total Receipt to the Consolidated Fund (A)	30,071.80
Exchequer Issued to MDAs	31,373.19
Transfer Refunds to MDAs	2.83
Unspent Exchequers	(61.37)
Net Transfers from Consolidated Fund (B)	31,314.65
Deficit from Consolidated Fund (A-B)	(1,242.85)

Source: Statement of Receipt and payment from Consolidated Fund

4.8 Allocation of Government Expenditures against Budget

From the consolidated fund account, the allocation of the Government expenditure (excluding direct to projects disbursement of TZS 1,249.90 billion) against budget is shown in **Table 13**;

Table 13: Allocation of Government expenditure against Budget

Details	Budget (TZS Billion)	Percentage	Expenditure (TZS Billion)	Percentage
Development Expenditures	12,905.52	37	10,676.69	34
National debts service and General Services	10,463.94	30	9,359.34	30
Wages and Salaries	7,673.55	22	7,631.05	24
Other Charges	3,836.78	11	3,706.11	12
Total	34,879.79	100	31,373.19	100

Source: Exchequer release report for financial year 2020/21

4.9 Analysis on estimates, exchequer releases and utilization of the released funds by Ministries, and Departments

Out of TZS 31,373.19 billion issued from the Consolidated Fund, TZS 26,198 billion was for Central Government Entities that is; Ministries, Regional Administrative Secretariat, Agencies, Commission and Departments, while the remaining balance was released to LGAs. The analysis of Recurrent and Development expenditures is as explained in the following paragraphs:

4.9.1 Approved Estimates and Exchequer release for Recurrent Expenditure

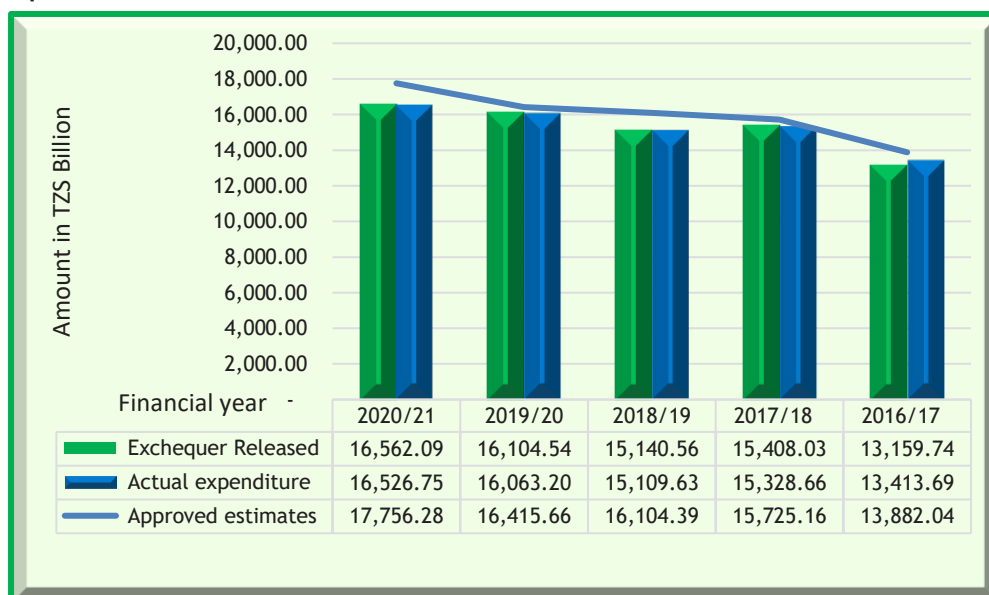
My review of MDAs and RAS Financial Statements found that TZS 16,562.09 billion equivalent to 93.27% was released for recurrent expenditure against the approved revised estimates of TZS 17,756.28 billion. Comparing to the release amount of TZS 16,104.54 billion for 2019/20, I observed the increase in exchequer issue releases by TZS 457.55 billion, equivalent to three percent from TZS 16,562.09 billion released in 2020/21.

4.9.2 Exchequer released and Actual Recurrent Expenditures

Actual Recurrent expenditures for MDAs and RASs were TZS 16,526.75 billion which is 99.79% of the exchequer release of TZS 16,562.09 billion, hence TZS 35.34 billion was not spent and surrendered to Consolidated Fund. Compared to recurrent expenditure of 2019/20 TZS 16,063.20 billion, I noted an increase in expenditures by TZS 463.55 billion equivalent to three percent from TZS 16,526.75 billion reported in 2020/21.

I am of the view that, unutilized exchequer release implies slow pace in implementing planned activities or inability of the management to utilize the released funds timely. Hence, I recommend the respective Accounting Officers to ensure that released funds are timely utilized to implement the planned activities. Details on the Approved Estimates, Exchequer issues and Actual Recurrent expenditures for MDAs and RASs are as shown **Figure 14 and Appendix XII**.

Figure 14: Estimates, Exchequer issues and Actual Expenditure for Recurrent expenditures in 2020/21



Source: Individual audited financial statements of MDAs and RASs

4.9.3 Approved Estimates and Exchequer release for Development expenditure

My review of MDAs and RASs Financial Statements found that TZS 9,635.90 billion equivalent to 82.99% was released for development expenditure against the approved estimates of TZS 11,611.30 billion. Comparing to the release for 2019/20 TZS 7,351.07 billion, I observed an increase of releases by TZS 2,284.83 billion equivalent to 31.08% from TZS 9,635.90 billion released in 2020/21

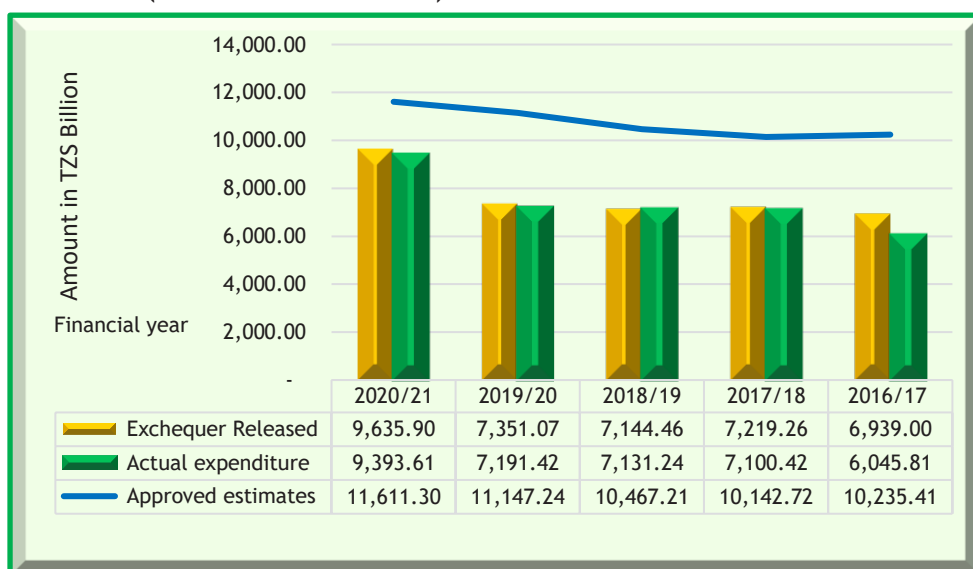
4.9.4 Exchequer released and Actual Development Expenditure

Actual development expenditures for MDAs and RASs was TZS 9,393.61 billion equivalent to 97.49 % of the released exchequers of TZS 9,635.90 billion, hence the remaining balance of TZS 242.29 billion was not utilized. Comparing to actual development expenditures of TZS 7,191.42 billion for 2019/20, I noted an increase of expenditures by TZS 2,202.19 billion equivalent to 30.62% from expenditure of TZS 9,393.61 billion, reported in 2020/21. I believe that the unutilized development release could have been caused by laxity in utilizing the released funds, which tend to affect the implementation of the planned projects.

I recommend the government to speed up the implementation of the planned development activities.

Details on Approved Estimates, Exchequer issues and Actual Development expenditures for MDAs and RAS are as shown in **Figure 15** below and in **Appendix XIII**.

Figure 15: Estimates, Exchequer issues and Actual Expenditure for Development in 2020/21 (Amount in billions TZS)



Source: Individual audited financial statements of MDAs and RASs

4.9.5 Allocation of Unbudgeted Funds for the Construction of Mwanza Airport Terminal buildings TZS 8.33 billion

Section 47 (1a) of Budget Act No. 11 of 2015 state that, payment shall not be made out of the Consolidated Fund except in the manner provided for by an enactment of Parliament. Further, section 4 of the same Act state that, where an appropriation for Government and public entities has been approved, it shall be used only in accordance with the purpose described and within the limits set by different classification within the Government and public entities estimates

During the financial year 2020/21, Mwanza Regional Secretariat received a total of TZS 8.33 billion for construction of Mwanza Airport Terminal building. This activity was not included in the Medium-Term Expenditure

Framework and the allocated budget. I found that out of the total received fund, TZS 7.69 billion was exchequers allocation while TZS 640 million were transfers received from Ilemela Municipal Council and Mwanza City Council, as detailed in **Table 14** below;

Table 14: Allocation of unbudgeted funds

Source	Amount TZS
Exchequer	7,697,217,708
Mwanza City	270,000,000
Ilemela MC	370,000,000
Total	8,337,217,708

Source: Individual Management Letter

Allocation of funds to implement unbudgeted activity affects the implementation of the planned activities, further it poses a room for misappropriation of Government funds.

I recommend that Government and responsible authorities monitor compliance with the Budget Act and its regulations for the purpose of achieving value for money and all implementing entities are encouraged to plan and budget for all activities.



CHAPTER FIVE

REVENUE, CONSOLIDATED FINANCIAL STATEMENTS, PUBLIC DEBT AND GENERAL SERVICES MANAGEMENT

5.0 Introduction

This chapter covers issues relating to the management of tax revenue collection, non-tax revenue collection, audit of consolidated financial statements, public debt, and general services.

5.1 Management of tax revenue by Tanzania Revenue Authority

Tanzania Revenue Authority (TRA) was established by Act of Parliament No. 11 of 1995 as a legal entity responsible for administering impartially various taxes and non- taxes revenues on behalf of the Central Government. TRA has three departments which deal with revenue collections namely Domestic Revenue Department (DRD), Large Taxpayers Department (LTD) and Customs and Excise Department (CED). Also, there is Tax Investigation Department which handles tax matters triggered on the suspicious fraud and wilful default of the taxpayers with regards to non-compliance with tax obligation.

5.1.1 Implementation status of the prior years' audit recommendations

I have reviewed the progress made in implementing 399 prior years' audit recommendations as analysed in **Table 15**. Out of the 399 recommendations, 91 (22.8%) were fully implemented, 293 (73.4%) are under implementation, 12 (3.0%) not implemented and three (0.8%) were overtaken by events.

Table 15: Status of TRA previous years' audit recommendations

Financial year	Implemented	Under implementation	Not implemented	Overtaken by event	Total
2019/20	12	45	12	3	72
2018/19	3	53	-	-	56
2017/18	38	63	-	-	101
2016/17	5	38	-	-	43
2015/16	14	22	-	-	36
2001/02- 2014/15	19	72	-		91
Total	91	293	12	3	399
Percentage	22.8	73.4	3	0.8	100

Source: TRA Management letter 2020/21

Further, out of 305 outstanding recommendations which are under implementation and not implemented, 29 (9.5%) requires decision of other authorities outside TRA such as Judiciary for court cases and Parliament for cases that write off approvals have been requested by TRA through the Ministry of Finance and Planning. The remaining 276 recommendations (90.5%) are under implementation by the TRA management.

Generally, the implementation status is fairly satisfactory. However, management should put more effort to ensure that the outstanding recommendations are implemented.

5.1.2 Revenue out-turn in Tanzania

During the financial year 2020/21, the Authority collected a total of TZS 17,588.57 billion below the set target of TZS 20,285.53 billion reflecting under collection of TZS 2,696.96 billion equivalent to 13.3% of total revenue targets in Tanzania mainland excluding Treasury Vouchers (TVCs)⁴. The actual collection in Zanzibar was TZS 299.08 billion below the set target of TZS 383.54 billion leading to under collection of TZS 84.46 billion equivalent to 22.0%. **Table 16** indicates analysis of the revenue collection by departments in both Tanzania Mainland and Zanzibar.

Table 16: Revenue Collection by Department (Tanzania Mainland)

Department	Targets TZS (Billions)	Actual Collection TZS (Billions)	Over/ (Under) Collection	
			TZS (Billions)	%
Domestic Revenue	4,379.48	3,299.80	(1,079.68)	(24.7)
Large Taxpayers	8,282.43	7,232.99	(1,049.44)	(12.7)
Customs & Excise	8,031.36	7,285.63	(745.73)	(9.3)
Gross collection	20,693.27	17,818.42	(2,874.85)	(13.9)
Refunds and transfers	(407.74)	(229.86)	177.89	43.6
Net total collections	20,285.53	17,588.57	(2,696.96)	(13.3)
Treasury Vouchers (TVs)	40.25	10.21	(30.04)	(74.6)
Net total collections include TVCs	20,325.78	17,598.78	(2,726.99)	(13.4)

Source: Audited TRA Revenue Statements for 2020/21

⁴ Treasury Voucher Cheques are expenses paid through tax system to cover import duties of exempted person which includes; Civil servants, Public Officials and Non-Governmental organizations. In this case TVCs were not included as part of collection assessment for Customs & Excise department.

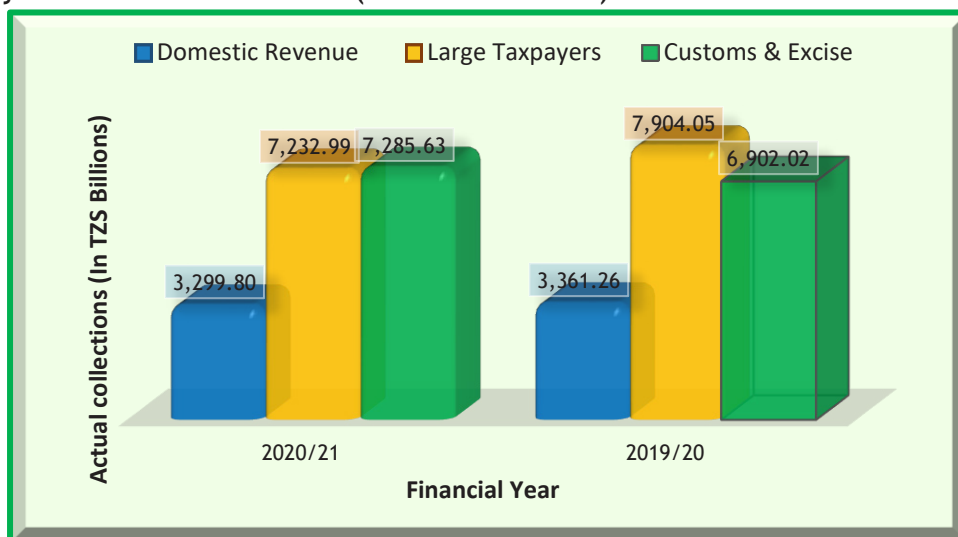
Table 17: Revenue Collection by Department (Zanzibar)

Department	Targets TZS (Billions)	Actual Collection TZS (Billions)	Over/ (Under) Collection	
			TZS (Billions)	%
Domestic Revenue	180.62	140.10	(40.52)	(22.4)
Customs & Excise	202.92	158.97	(43.94)	(21.7)
Total collection	383.54	299.07	(84.46)	(22.0)

Source: Audited TRA Revenue Statements for 2020/21

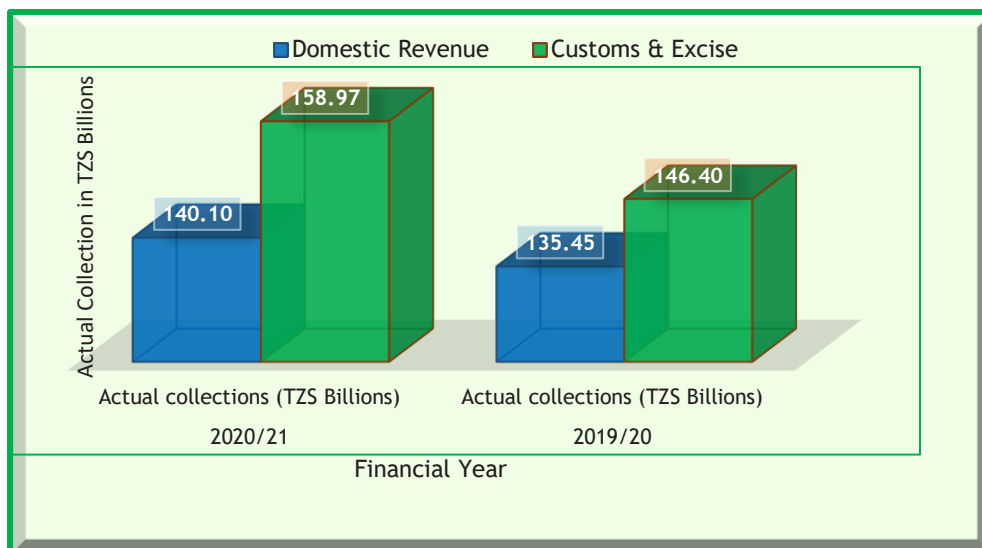
All the three revenue collection departments performed below their targets for the year under review. The outbreak of COVID 19 pandemic was among the causes which led to the underperformance that triggered a decrease in operations and production in some key sectors like manufacturing, mining, hotels, tourism and banking industry. This resulted into temporary suspension of some operations and consequently decrease in performance of both production and consumption.

An analysis on departmental contribution to overall actual revenue collection of TRA in Tanzania Mainland revealed that, Customs and Excise Department accounted for 40.9%, followed by Large Taxpayers Department with 40.6%, and Domestic Revenue Department with 18.5%, this ranking excludes collection from Treasury Vouchers. In Zanzibar total collection reveals Customs and Excise Department accounted for 53.2% followed by Domestic revenue department with 46.8% performance.

Figure 16: Comparison of actual collection by departments for the financial years 2020/21 and 2019/20 (Tanzania mainland)

Source: Audited TRA Revenue Statements for 2020/21 and 2019/20

Figure 17: Comparison of actual collection by departments for the financial years 2020/21 and 2019/20 (Zanzibar)



Source: Audited TRA Revenue Statements for 2020/21 and 2019/20

Comparison of actual revenue collection based on departments for the financial year 2020/21 and 2019/20 shows that, the contribution of Large Taxpayers Department to revenue collection has decreased by eight per cent in financial year 2020/21 compared to 2019/20 while contribution of Customs and excise department has increased by six per cent in the financial year 2020/21 compared to 2019/20. Moreover, the analysis shows Domestic Revenue Department collection is behind other departments despite initiatives taken by the Authority to expedite its revenue collection capacity. However, all departments failed to meet the targeted collection for the financial year 2020/21.

5.1.3 The Trend of Revenue Collection

The trend of revenue collection for the United Republic of Tanzania over the past five years is shown in Table 18. Generally, actual revenue collections have been increasing annually over the past four years 2016/17 to 2019/20, however the year 2021 has witnessed a decrease of 0.2% when compared with year 2019/20.

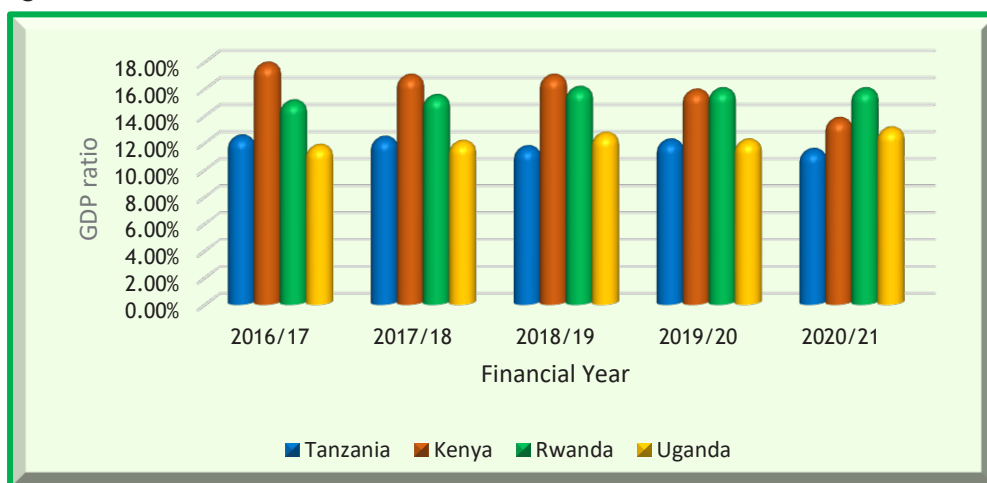
Table 18: Trend of revenue collection for 2016/17 to 2020/21 (Tanzania & Zanzibar)

Financial Year	Targets TZS (Billions)	Actual Collection TZS (Billions)	Under Collections TZS (Billions)	(%)
2020/21	20,709.32	17,897.86	(2,811.46)	13.6
2019/20	19,451.12	17,930.88	(1,520.25)	7.8
2018/19	18,332.67	15,764.66	(2,568.00)	14.0
2017/18	17,365.05	15,405.40	(1,959.65)	11.3
2016/17	15,293.90	14,271.38	(1,022.52)	6.7

Source: TRA Revenue Statements for 2016/17 to 2020/21

Further, in the financial year 2020/21 the performance of the TRA recorded an upward mark in terms of the tax yield (tax to GDP ratio) of 12.9% as against 12.1% in 2019/20, and for the rest of four previous year's record as shown in **Figure 18**. A comparative analysis of tax yield for five years in other East African countries, is as shown in **Table 19**.

Figure 18: Tax Yield for Tanzania and Other East African Countries



Source: TRA Research Policy and Planning department

Table 19: Tax yield for Tanzania and other East African countries for five years

Year/Country	Tanzania	Kenya	Rwanda	Uganda
2020/21	12.90%	13.70%	15.90%	12.99%
2019/20	12.10%	15.80%	15.90%	12.10%
2018/19	11.60%	16.90%	16.00%	12.60%
2017/18	12.30%	16.90%	15.40%	12.00%
2016/17	12.40%	17.80%	15.00%	11.70%

Source: TRA Research Policy and Planning department

I am of the view that the Tanzania tax efficiency, both actual and target yields leave a room for improvement through increased efforts in the revenue mobilization by widening the tax base, plugging of revenue

leakages, improving voluntary tax compliance, tax efficiency and effectiveness. All these measures will eventually reduce country's fiscal deficit and debt financing gap.

5.1.4 Management of Tax arrears

My review of the revenue statements for the financial year 2020/21 noted significant increase of tax receivable by 94.6% from TZS 3,875.99 billion to TZS 7,542.18 billion as reported in the year 2019/20 and 2020/21 respectively. A detailed analysis on the recoveries made shows a low pace in recovering tax receivables whereby the Authority managed to recover 10.4% and 23.0% of the tax receivables for the year 2020/21 and 2019/20 respectively as summarized in **Table 20**. The loss of government revenue may occur due to time overrun as some of the outstanding taxes might turn to be uncollectable.

Table 20: Tax receivables recoveries

Financial year	Closing balance TZS (Billion)-A	Opening balance TZS (Billion)-B	Recoveries TZS (Billion)-C	% of recovery (C/B)
2020/21	7,542.27	3,875.99	404.51	10.4
2019/20	3,875.99	2,131.46	490.84	23.0

Source: Analysis of recoveries reported in the revenue statements 2020/21 and 2019/20

I recommend that the Government takes adequate measures in collecting tax arrears to increase government revenues.

5.1.5 Management of Tax Disputes

My audit of tax objections registers during the year 2020/21 found 155 objection cases with taxes TZS 102,595,793,905 being outstanding beyond the allowable period of six months from the date of receipt as stipulated in TRA taxpayer's service charter of July, 2017. The tax objection cases were admitted by Domestic Revenue and Tax Investigation Departments remained unresolved for a duration of between 7 to 124 months. Delay in settlement of tax objection cases has negative impact on revenue collection targets since a substantial amount of taxes is tied up in tax objection cases.

Further, I noted that there were neither payment of tax deposit nor waiver evidences granted by the Commissioner on payment of lesser amount of the 1/3 amounting to TZS 4,647,913,099 before admission of such objections which is contrary to the requirements of the law.

The admission of tax objection applications without paying tax deposit or evidence of waiver together with delay in settling tax disputes may impact negatively on revenue targets and could result into loss of government revenue.

I recommend the Government to take effective measures to enable earlier settlement of filed tax objections by (a) Increasing the number of competent and experienced personnel in the Technical services unit; (b) Increasing in-house training to staff and strengthen its tax audit process; and (c) Ensure objection cases are admitted after payment of 1/3 of the assessed tax or the amount which is not in dispute whichever is higher, or else supporting evidence regarding application and waiver granted by commissioner should be available.

5.1.6 Management of Tax audit and Investigation

My review of taxpayers' audit files for the financial year 2020/21 noted understatement of taxes amounting to TZS 12.63 billion. The understated taxes include corporate and personal income taxes, withholding taxes, Stamp duty, Value Added Tax and Skills Development Levy amounting as shown in Table 21.



Table 21: Understated taxes

Tax Type	Understated amount (TZS)
Corporate and Personal income taxes	5,266,357,284.00
Withholding taxes	2,925,232,549.42
Stamp duty	218,348,255.00
Value Added Tax	3,803,289,921.51
Skills Development Levy	417,692,750.17
Total	12,630,920,760.00

Source: Auditor's analysis

The understatement of corporate and personal income taxes has resulted from the overstatement of direct and indirect expenses by taxpayers such as unrealized exchange loss, overstatement of purchases, overstatement of finance costs, unjustified expenses on postage and courier, expenses not wholly and exclusively incurred for generation of taxable income and unjustified pre-operation expenses. Similarly, the understatement of Skills Development Levy was caused by taxpayers understating employees' gross emoluments in the monthly payrolls filed to TRA.

Also, the understatement of Withholding taxes on service fees, royalties, rental, professional services and digital marketing were either due to not being charged or paid by taxpayers in the course of business. While

understatement of VAT was attributed to under declaration of sales in returns filed by taxpayers and non-charging of VAT on the realization of assets disposed, understatement of Stamp duty was due to non-charge of duty on contract agreements. The understatement of taxes might result into loss of government revenue.

I recommend that the government should ensure the Authority is equipped with enough and skilled tax auditors; enhance the capacity of tax auditors and assist in developing and acquiring an integrated tax system.

5.1.7 Inadequate Monitoring and Supervision of Electronic Fiscal Devices

Assessment on Electronic Fiscal Device (EFD) enforcement and management was made in 15 tax regions during my audit for the financial year ended 30 June 2021 and noted that, out of the sampled 3,594 taxpayers who were doing business with annual turnover more than TZS 14 million, 1,798 taxpayers were using EFD machines while the remaining 1,796 taxpayers equivalent to 50.0% did not have EFD machines.

Inadequate supervision of Fiscal Devices could result into loss of government revenue as taxpayers' information cannot be captured in the EFDMS to enable the establishment of accurate taxpayers' annual turnover for taxes purpose.

Moreover, of 253 sampled Electronic Fiscal Devices with active status obtained from Electronic Fiscal Device Management System (EFDMS), 127 devices were in use while 126 devices were found not in use due to the absence of sales records in EFDMS. Moreover, there were 35 taxpayers in five tax regions who have acquired more than one EFD, with a total of 198 EFDs, however, the machines acquired were not in use for a period ranging from 4 to 104 months.

Also, 3,114 taxpayers who were using EFD machines, 1,045 taxpayers equivalent to 33.6% had no daily sales information in the EFDMS for a period ranging from 5 to 132 months. This poses a risk of loss of government revenue due to ineffective usage of the electronic fiscal devices.

I recommend that the government should ensure all taxpayers who are eligible to use EFD machines, acquire and use them properly. Also, penalty/offence should be charged for non-acquisition or use of EFD machines and ensure supportive tools are provided in the EFMDs to

redress the weakness noted.

5.1.8 Inadequate Monitoring and Supervision of Taxpayers in the Blocks

My review of block registers conducted in seven tax regions noted that, out of the sampled 11,744 taxpayers, 10,108 taxpayers (86.1%) in the blocks were not issued with assessments for the year under review. Further, I found deficiencies in block management such as inadequate frequency of visiting of blocks by tax officers, and non-preparation of physical performance report for the blocks. These were caused to inadequate compliance with block management operational procedures and the inadequate number of staff in managing blocks.

Inadequate monitoring and supervision of taxpayers in the blocks could limit; (a) Business information of taxpayers to facilitate correct assessments. (b) Regular updates of traders' information to facilitate categorization of traders to ensure correct taxes are timely paid; (c) Expansion of the tax base and enhancement of Government revenue and to deter tax evasion.

I recommend the Government to ensure that adequate assessments are issued to taxpayers to enhance the collection of government revenues as well as increase the number of staff to improve management of taxpayers in the blocks in order to increase revenue.

5.1.9 Non-inclusion of Digital Economy taxation approach in the ICT strategy

My review of TRA corporate strategy and ICT strategy for 2017/18 - 2021/22 to assess technological preparedness in accommodating business and companies operating in the digital economy, so that online transactions could be taxed in the same way as conventional transaction noted that, such transactions have neither been considered in the ICT strategy nor in the corporate strategic plan.

Further, TRA ICT strategy of 2017/18 - 2021/22, under objective number three states that, "To improve compliance management has planned to achieve that via implementation of an Integrated Domestic Revenue Administration System (IDRAS)" of which I am of the view that it has considered only the existing conventional business structure without

covering the businesses operating electronically. Inadequate IT agility in line with the changing business operating environment including new ways of doing business in a digital economy are the reasons contributing to this deficiency. This might result into loss of government revenue due to narrowing of tax base.

I recommend to the Government to ensure, (a) Strategy on technological solutions for taxing virtual transactions and virtually operating companies locally and internationally; and (b) Liaise with local and international initiatives including the Organization for Economic Co-operation and Development (OECD) on proposed new global tax rules that will enable taxation on firms (including technology platforms) in jurisdictions where they generate revenues, regardless of whether they have a physical presence in the country.

5.1.10 Customs Duties and Levies on Imported Fuel neither entered for Local Consumption nor for Transit - TZS 2.89 billion

My review of manifest data for imported fuel for the period from 1 July 2020 to 30 June 2021 noted 17 transactions with a total of 31,122,725 litres of fuel with estimated total taxes and duties of TZS 2.89 billion were imported by eight oil marketing companies. However, respective fuels were neither assessed for local consumption nor for transit to other countries. Taxes from these bills of lading were not charged, this may result into loss of government revenue.

I recommend the Government to (a) Strengthen controls over assessment of imported fuel by ensuring that all bills of lading are assessed and taxes are collected; and (b) Collect duties and levies amounting to TZS 2.89 billion plus penalties/interest on late payment of taxes from these bills of lading and submit recovery particulars for verification.

5.1.11 Overstayed Balances of Transit Fuel Not Localized with Customs Duties and Levies of TZS 1.78 billion

My audit review on the quantities of imported fuel declared for transit in manifest data and quantities of fuel exported to other countries, noted 2,627,277 litres of fuel with estimated taxes of TZS 1.78 billion were not exported to the intended foreign countries. Some of these quantities of

transit fuel overstayed in the country for more than 12 months, however, neither penalty to bond nor duties were collected contrary to the requirement of the regulations. Balances of transit fuel not exported may be illegally localized without paying taxes.

I recommend the Government to ensure (a) Fuels declared for transit are monitored to ensure that all quantities are exported to intended destination; and (b) Taxes of TZS 1.78 billion for the overstayed 2,627,277 litres of fuel should be recovered together with penalty to bond.

5.1.12 Overstayed bonded warehoused goods not auctioned TZS 1.08 billion

My audit review of custom bonded warehouses noted a total of 59 vehicles carrying Bond in Force Value (BIF) with a value of TZS 1,087,269,937.00 from seven customs bonded warehouses overstayed for more than six months as prescribed period in the EACCMA and no extension for re-warehousing to the date of the audit was submitted, upon inquiry the same were not auctioned.

Overstayed goods in bonded warehouses not only deprive the bond owners of bond security but also hinder the government from collecting taxes and duties on time which in turn has an impact in the economy as a whole.

I recommend the Government to auction overstayed goods in all bonded warehouses as required by the law.

5.1.13 Temporary imported 676 motor vehicles not re-exported

My review of customs information for temporary imported vehicles through five customs offices, found 676 temporary imported vehicles overstayed for more than three months without being re-exported after expiration of the statutory period. There was no evidence of application for extension of the time by importers submitted during audit. Inadequate management of the temporary imported vehicles and goods could result into illegal localization hence loss of government revenue.

I recommend to the Government to (a) Integrate TRA and Immigration systems to ensure temporary imported vehicles are also declared to the immigration officers at the point of entry and exit; (b) Importers' passports are attached with a copy of temporary imported motor

vehicles' cards at the time of entry in order to confirm the exit of the same. (c) Conduct an in-housing training on temporary importation to increase knowledge to customs staff; (d) Make follow up of 676 temporary imported motor vehicles and collect all duties and taxes as required by customs laws along with charging a penalty for late payment of taxes if the vehicles were localized.

5.1.14 Airport Departure charges collected by KADCO not remitted to TRA TZS 2.37 billion and USD 7.04 million

Sect.7 of the Airport Service Charge Act, Cap 365 [R.E 2019] requires agents to collect and remit to the Commissioner General of the Tanzania Revenue Authority (TRA) on or before the last working day of the month following the month in which the collection was done. Also, Government Notice of Airport Charge, 2002 appointed Kilimanjaro Airport Development Company Limited (KADCO) as a collecting agent of the TRA from 1 July 2002. The Notice was drawn from Sect. 6 (2) of the Airport Service Charge Act, 1962.

My review of the collection of the Airport Departure charges at KADCO noted that the company collects Departure charges from airline operators but does not remit the collected amount to the Commissioner General of TRA as required by the law. From July 2019 to June 2021 KADCO collected TZS 2.37 billion and USD 7.04 million as departure charges but not remitted to Commissioner General contrary to the law and GN of 2002.

I was informed by KADCO that the Concession Agreement of 17 July 1998 with the Government allows the Company to collect and spend. However, my review of the Concession Agreement noted absence of a clause that allows the Company to collect and spend the collected amount. Further, I noted clause 13 of the Concession Agreement that allows the Company for five years from the date of initial operation to set the rate of airport charges but this was made before GN of 2002 came into effect.

Following this inconsistency and the fact that KADCO is owned 100% by the Government, I recommend to the Government to review the Government Notice of Airport Charge, 2002 and Concession Agreement, 1998 to align with the requirement of the Airport Service Charge Act, Cap 365 [R.E 2019].

5.1.15 Human Resource Management at Tanzania Revenue Authority in the administration of tax and non-tax revenue collection.

(a) Shortage of staff and delay in approval of organization structure

My audit review on the Authority's organisation structure together with the scheme of service noted that due to various government directives given, Tanzania Revenue Authority (TRA) has been subjected to various reforms out of its organizational structure resulting in the expansion of its activities.

This expansion requires various resources, for instance recently, TRA reforms created 17 managerial positions related to revenue collections of which 16 positions were in the scheme of services but not in the organisation structure and one position was neither in the organisation structure nor in the scheme of services. These managerial positions have increased proper administration of revenue collections as responsibility has been delegated to specific operation which helps in increase revenue for the Government.

TRA's managerial positions which are outside the organizational structure are not recognized by the President's Office Public Service Management and Good Governance, thus they have not been paid Acting benefits for long time. Non-payment of staff has demoralised the staff. I further noted a shortage of 2,695 staff equivalent to 36.4% of the required 7,406.

An increase in the requirements of staff is due to the expansion of the TRA operations. TRA was given four employment permits to employ a total of 1,091 staff, all these employment permits were at different stages of implementation. It is my concern that the shortage of staff at TRA affects its operations of collecting government revenue which in turn affects implementation of government in its activities.

(b) Acting 90 managerial position for a period of six to 48 months

TRA has 245 managerial posts of which 95 (38.8%) post were vacant. Out of 95 vacant in managerial post, 90 post were filled by acting staff while five posts were vacant as at the time of audit in 30 December, 2021. Responsibility and duration of Acting Staff is shown **Table 22**.

Table 22: Responsibility and duration of Acting Staff

SN	Acting responsibility	No. of Acting Staff	Acting duration as at 31-Dec-2021
1	Revenue Administration	76	6-48 Months
2	Supporting Services to Revenue Administration	14	6-31 Months
	Total Acting Staff	90	

Source: TRA Human Resource and Administration department

Delay in confirmation of 90 acting officers from six to 48 months is contrary to the Standing Order of 2009 which requires staff to stay in acting position for a period not exceeding six months.

During discussion with TRA, I learnt that delay in confirmation of staff is mainly attributed to delayed response from UTUMISHI and vetting authorities. I am of the view that given the risk nature in revenue collections, the Government has to expedite approval process to avoid extreme delay in confirmation which in turn affect revenue collections through decline in morale.

I therefore recommend the Government to employ a sufficient number of staff for the Authority to enhance the collection of tax and non-tax revenue. Also, to fasten approval process on the issue of promotion to staff to avoid delay in confirmation of staff and eventually raise their working morale.

5.1.16 Taxes tied in the appellant machineries pending ruling

My audit of TRA Revenue statements for the year 2020/21 noted long outstanding cases at various tax appeals machinery amounting to TZS 357,308,998,541,722 (including USD 137,800,582 converted at a rate of TZS 2,287.295/USD) as analysed below. 46 tax cases amounting to TZS 724,183,356,570 are tied up under the court of appeals for the years 2020 and 2021 as indicated in **Table 23**.

Table 23: Outstanding tax cases at Court of Appeal (CAT)

Year	Number of cases	TZS
2020	27	678,695,314,623
2021	19	45,488,041,947
Total	46	724,183,356,570

Source: Revenue Statements 2020/21- and third-part confirmation from respective entity

In the financial years 2018 to 2021, there are 176 tax cases amounting to TZS 1,176,301,825,259 are under Tax Revenue Appeals Tribunal (TRAT) as shown in **Table 24**.

Table 24: Outstanding cases at Tax Revenue Appeals Tribunal (TRAT)

Year	Number of cases	TZS
2018	1	586,364,625
2019	10	64,142,273,128
2020	71	552,709,797,663
2021	90	558,863,389,843
Total	172	1,176,301,825,259

Source: Revenue Statements 2020/21- and third-part confirmation from respective entity

847 tax cases amounting to TZS 355,408,513,359,893 are under Tax Revenue Appeals Board (TRAB) for the years 2016 to 2021. The year 2017 earmarked a huge appeal of the tax amount to TZS 349,862,963,907,128 as shown in **Table 25**.

Table 25: Outstanding cases at Tax Revenue Appeals Board (TRAB)

Year	Number of cases	TZS
2016	9	1,363,497,491,857
2017	24	349,862,963,907,128
2018	40	288,291,885,092
2019	137	540,711,337,309
2020	242	1,886,425,581,517
2021	395	1,466,623,156,990
Total	847	355,408,513,359,893

Source: Revenue Statements 2020/21- and third-part confirmation from respective entity

The discussion I had with Tax Revenue Appeals Boards (TRAB) and Tax Revenue Appeal Tribunal (TRAT) on 23 September 2021 noted the following issues toward ruling processes of appeal cases: -

Inadequate resources allocated to them as compared to the estimates as shown in **Table 26** hinders timely ruling of the pending tax cases.

Table 26: Estimates vs Approved Budget of Appellant Machinery (in TZS)

Machinery	Year	Estimates	Approved	Difference (%)
Tax Revenue Appeals Tribunal	2020/21	1,621,000,000	1,204,985,000	26
	2019/20	1,621,000,000	1,004,985,000	38
	2018/19	1,623,000,000	1,004,985,000	38
Tax Revenue Appeals Board	2020/21	3,500,000,000	1,046,763,000	70
	2019/20	2,000,000,000	1,046,763,000	48
	2018/19	4,088,300,000	1,046,763,000	74

Source: budget appellant machinery from 2018/19 to 2020/21

- (i) There are 45 tax appeal cases worth TZS 5,608,193,107,680.84 (including USD 5,855,122.12 converted at a rate of TZS 2,308.7/USD) and 9 tax appeal cases worth TZS 56,678,445,387.80 which were under TRAB and TRAT respectively, however, negotiations between the government and taxpayers are under way, but have taken long time without reaching into the agreement.
- (ii) The appointment of Board Members, Chairpersons and Vice-Chairpersons of the Appellant Machinery is done at the same time. As the result, their tenure ends at the same time. This cause stoppage of hearing when their terms come to an end until when new members are appointed.

According to TRA Management, the status of tax cases at Appellate Machinery as at 31 December 2021, shows 866 cases with the monetary value of 5,190,108,141,768 (including USD 248,397,084 were converted at a rate of TZS 2,309.24/USD) as analysed in Table 27.

Table 27: Status of Long Outstanding Tax Cases at Appellant Machinery

Year	Number of Cases	Amount in TZS	Amount in USD
Tax Revenue Appeals Board (TRAB)			
2016	5	1,208,317,055,742	
2017	6	22,985,743,159	
2018	16	78,335,865,381	
2019	41	328,643,390,826	
2020	127	634,755,159,101	
2021	426	1,487,471,844,164	2,936,107
Total	621	3,760,509,058,373	2,936,107
Tax Revenue Appeals Tribunal (TRAT)			
2020	38	152,414,632,523	8,063,305
2021	140	560,059,847,915	
Total	178	712,474,480,438	8,063,305
Court of Appeal (CAT)			
2020	14	68,220,338,517	108,886,884
2021	53	75,295,782,184	128,520,788
Total	67	143,516,120,701	237,407,672

Source: TRA management response status as at 31 December 2021

Among the finalized cases include 45 appeals with the amount of TZS 5,594,675,387,242.40 which were subject to government negotiations with North Mara Gold Mine, Pangea Minerals Limited, Bulyanhulu Gold Mine and ABG Exploration Limited. Likewise, Bulyanhulu Gold Mine Appeal No. 189 of 2017 which was challenging respondent's decision that allowed payment

of the lesser amount of TZS 21,395,712,853,964 for admission of taxpayer's objections against jeopardy assessment from 2000-2017 in the total liability of TZS 343.5 trillion, was also withdrawn and the objections were admitted and are currently being determined by the Large Taxpayers Department.

I recommend the Government to (a) Ensure members' appointments are done immediately after the end of the current members' tenure and the appointments should be differentiated to avoid missing the quorum for hearing cases once the tenure ends; (b) Improve operations and performance of Tax Appeals Organs by allocating and releasing adequate funds and other resources for the operations of tax appellant machinery to enable timely hearing and concluding of tax cases by considering the increasing number of tax appeals cases; and (c) Expedite the negotiations of all tax cases which are under negotiations between the Government and taxpayers.

5.2 Non-Tax Revenue

This part highlights areas relating to management of revenues that require attention. The main objectives of revenue audit is to ensure the completeness of income, ascertain efficiency in internal control, determine the degree of compliance and ensure timely recognition of revenue.

The objectives of an entity can only be achieved when revenue is effectively collected and efficiently utilized in strategic activities. Public resources are limited, the Government need to properly manage their revenues by instituting effective ways of mobilizing resources, ensuring efficient budget and budgetary control. During the year, I assessed the compliance of the Acts, Regulation and various directives governing management of Revenue for financial year 2020/21 and I found deficiencies in revenue collection as illustrated below:

5.2.1 Collections made out of the GePG System TZS 6.53 Billion

The Government, through the budget framework for the financial year 2020/21, introduced various policies, strategies, and administrative measures including use of the Government Electronic Payment Gateway System (GePG). Further, Section 7 of the Public Finance Act, Cap 348 9 (R.E 2020) requires all public moneys to be collected through GePG system.

However, I noted that, during the financial year ended 30 June 2021, four entities collected a sum of TZS 6.53 billion as non-tax revenue out of the GePG system, contrary to Public Finance Act. Details in **Table 28** below;

Table 28: Entities that made collections out of GePG

Name of the Entity	Amount (TZS)
Mzinga Corporation	735,039,090
Tanzania Automotive Technology Centre	1,476,718,200
Marine Services Company Limited	69,426,780
Prisons Corporation Sole	4,245,797,589
Total	6,526,981,659

Sources: Individual management Letters

It is my opinion that, collections over the counter exposes revenue into risk of leakage and wastage, hence accelerate budget deficit.

I therefore recommend to all Government entities charged with the collection responsibilities, to work out solution over revenue collection challenges to abide by Government strategies, policy and administrative measures introduced on collection, such that all revenues are collected through GePG.



5.2.2 Failure to Generate Revenue of TZS 8.82 Billion due to Lack of Capacity in Offering Services

I reviewed the capacity of various Departments and Agencies in offering the mandated services and found that, the sum of TZS 8.82 billion was not collected by the Government Printing Department and Water Supply and Sanitation Authorities due to lack of capacity in offering services, as shown below;

a) Government Printing Department TZS 7.18 Billion

The Government Printing Department was established to perform many functions that include to prepare for printing works, print and bind various documents, control quality of the printing, plan, install and maintain printing machines and equipment, disseminate printing output to the public, keep custody of the National emblem, advise the Government on printing and prepare, review and monitor implementation of printing policy and legislative strategies.

During financial year 2020/21, I found that the Government Printing Department failed to offer printing services to various Government entities

valued at TZS 7.18 billion, instead the activities were outsourced to private printers due to incapacity of the printing machines, frequently breakdown of production plants, equipment and shortage of staff.

b) Water Supply and Sanitation Authorities TZS 1.64 Billion

I reviewed pump test result for 14 boreholes, two from Ruangwa Water supply and Sanitation Authority and 12 bore holes from Tunduma Urban Water Supply and Sanitation Authority and noted incapacity in offering the required service of water supply and meet the market condition up to 90 percent, aspects that led to non-collection of TZS 1.64 billion. The amount of loss was occasioned by inadequate storage capacity of water tanks and shortage/absence of electricity as shown in **Table 29** below;

Table 29: Entities with inadequate water storage capacities

Authority	Bore holes	Capacity in m3	Quantities produced in m3	Quantities not produced in m3	% of incapacity	Amount in TZS
Ruangwa	2	840,960	438,792	402,168	48	599,230,320
Tunduma Urban	12	1,527,744	154,253	1,373,491	99	1,043,853,160
Total						1,643,083,480

Source: Individual Management letters

It is my opinion that incapacity of the Government departments and Agencies limit collection of non - tax revenue

I recommend the Government and responsible authorities to capacitate the operational performance of the agencies and departments responsible for offering of services, so as to collect more revenue.

5.2.3 Abandoned Printed Documents by Customers Resulted into a Loss of Revenue TZS 265.56 Million

The objective of establishing Government Printing service division under Vote 37 is to facilitate printing of quality documents timely, and in a cost-effective manner, also the printing service offered by department is expected to facilitate collection of non - tax revenue to be remitted to consolidated fund to finance the budgeted activities.

I noted that, the Government printing service division had received orders from various Government entities for printing and supply of materials for a duration ranging from 2011 to 2021 with the total value of TZS 265.56

million. However, the printed orders were left uncollected and not paid by customers.

I was informed that the uncollected orders by the respective Government entities were abandoned and became obsolete due to repeal of Laws and diffusion of entities due to successions of the Government.

I attribute the uncollected printing materials to loss of Government revenue that could be realized to finance budgeted activities and wastage of printing materials.

It is my recommendation to the Government and responsible Ministry to review the modality of offering services by imposing advance payment prior to rendering of service. Further, to ensure the cost incurred over the offered services is recovered and curb loss of revenue that could have been realized.

5.2.4 Uncollected Royalty from excavated materials of TZS 4.49 Billion and USD 169,961.40

Section 22(P) of the Mining Act of 2019, has defined the functions of the Mining Commission and one of the functions is to monitor and audit quality and quantity of minerals produced to determine revenue generated to facilitate collection of payable royalty.

I noted that, the Commission conducted 13 audits in various regions for a period ranging from 2018 to 2020. However, the Mining Commission failed to collect royalty from excavated materials, annual rent as well as clearance and inspection fee, established from the audit performed amounting to TZS 4.49 billion and USD 169,961.40

I was informed by management of Mining Commission that; the uncollected amount is due to non-response of the established royalty payable by the audited company. However, I attribute the non-collection of royalties to inadequate follow up by the Mining Commission.

I recommend to the Government and responsible authority, to ensure that the Government's interest on exploration of minerals is secured and guarantee collection of revenue on the use of National resources.

5.2.5 Unbilled Revenue from Sharing of Information TZS 7.36 Billion

Regulation 16 I of Registration and Identification of Persons Regulation, 2014 requires a payment of TZS 500 as fees to a person who intends to use any information under the custody of NIDA for each individual or click.

However, I found that 39 entities have accessed registered individuals' personal information (citizen and legal residents) under the custody of NIDA, by making clicks to NIDA databases without making payment to NIDA as per the cited Regulation. My further scrutiny revealed that, failure by NIDA to collect the total revenue of TZS 7.36 billion from the respective entities was attributed to inadequate follow up by NIDA to ensure that revenue is collected as per the above regulation.

I recommend management NIDA to ensure that every user of information pay fees as required by the law.

5.2.6 Non-Compliance with Service Agreement on Remittance of Collections from Commercial Banks to BOT TZS 1.99 Billion

To facilitate timely remittance of n-n - tax collections into the Consolidated Funds, on 17 January 2017, the Ministry of Finance and Planning entered into Service Agreement with the commercial Banks; NMB, CRDB, and NBC to transfer all collections into the Central Bank every Monday and on the last day of the month before 12:00 hours as cited in Paragraph 5 of the service Agreement.

Further, it was specified in Paragraph 1.1(i) that failure to transfer the collected amount will result into penalty at discount rate of 7.5 percent of the total amount to be remitted on the particular day.

I noted delays on transfer of the collected revenues amounting to TZS 1.99 billion by Commercial Banks into the Bank of Tanzania collection account for a duration ranging from one to a maximum of 29 days and the commercial Banks were not penalized on the cause of delay. Related details are as shown in the **Table 30**.

Table 30: Delay to Remit Collected Revenues to Bank of Tanzania

Entity	Category	Range of days delayed	Amount (TZS)
Ministry of Education Science and Technology	Vote 46	2 to 7	570,926,500

Entity	Category	Range of days delayed	Amount (TZS)
Temeke Hospital	RRH	2 to 29	1,091,214,000
Private Health Laboratories Board	Board	2 to 23	329,353,300
Total			1,991,493,800

Source: Individual Management letters

Delay in remitting the collected amount limits Government collections in financing its expenditure, an act which is attributed by inadequate management of collections in the service agreement.

I recommend to the Ministry of Finance and Planning as well as entities involved in revenue collection to ensure the collected amount is remitted timely, as per service agreement. Also, the Ministry of Finance and Planning to closely monitor the performance of Commercial Banks and charge interests in cases of n-n - compliance with service agreement.

5.2.7 Failure to Establish Obligation and Collect Electricity Levies from Generators of Electricity for Private Consumption

Section 19 (3) of Rural Energy Act, 2005 states that, the sources of income for the Rural Energy Agency shall consist of monies as may be provided among other things, from levies of up to five percent on the generation of electricity in specified isolated systems, including systems for private consumption as determined by the Minister responsible for Energy in consultation with the Minister of Finance.

Further, Government Notice No. 118 published through the Government Gazette of 1 August 2008, requires imposition of electricity levy of three percent on generators of electricity above one Megawatts (MW) for private consumption in isolated systems, including captive system owned by the companies.

I found that, Ministry of Energy and Rural Energy Agency through letter with reference number CBA 87/248/01 dated 12 September 2008 and AB 105/157/01/A/117 dated 28 November 2019 respectively, informed 21⁵

⁵ IPTL, Geita Gold Mining, Songas, Artumas Group, Aggreko International project Ltd, Tanga Cement, Kiwira Coal Mines Ltd, Tanganyika Planting Corporation, Kilombero Sugar Co., Mtibwa Sugar Estate Ltd, Kagera Sugar Ltd, Tanganyika Watle Co., Sao Hill Saw Mills, Shanta Mining Co, Ashanti Goldfield, Tanzania Cigarette Co, Dangote Cement Ltd, State Mining Corporation, TPC Ltd, Kioo Ltd, Mtibwa Sugar Co.

companies on the obligation to remit electricity levy of three percent from the generated electricity for personal use.

However, following the issuance of the Government Notice, the Agency lodged a claim of TZS 1.074 billion to Stamigold Company Limited (the subsidiary) being charges of producing electricity to the tune of 98.350 Megawatts from January, 2014 to November, 2019. The claim is yet to be settled by the subsidiary company. I further noted the valuation of the generated electricity and payable obligation for other companies are yet to be established.

Failure to collect revenues from generation of electricity limits Government collections and constrain budget performance.

I recommend the management of the Ministry and responsible Agency to put in place effective strategies to ensure collections generation of electricity is collected without further failure.

5.2.8 House Rent not Collected from Government Institutions Occupying Government Owned Apartments TZS 4.76 Billion

Tanzania Building Agency was established with the mission of providing quality and environmentally friendly accommodation to the Government and public servants through efficient and effective business. The Agency entered into 199 lease agreement with various Government institutions to provide accommodation to public servants of the respective Institutions, whereas the Institutions are required to pay TBA monthly rent as specified in the lease agreements.

However, I noted that the Government Institutions have delayed paying the required rents amounting to TZS 4.76 billion as per the lease agreements for the periods ranging from 10 to 103 months thus limiting own source collection which could support implementation of planned activities, including construction of new houses and rehabilitation of deteriorated Government buildings.

Table 31: Government Institutions with House Rent Payables

Region	Entity	Amount (TZS)
Dar es Salaam	Drug Control and Enforcement authority	67,650,000
	Government Chemist	49,680,000
	Immigration	24,840,000

Region	Entity	Amount (TZS)
	Inspector General of Police	142,208,800
	Judiciary	149,040,000
	Ministry of Agriculture (FAO)	108,000
	Ministry of Health	30,360,000
	Ministry of Works and Transport	99,360,000
	President Office	2,594,590,000
Dodoma	President Office (Usalama and Ikulu)	1,609,660,000
Total		4,767,496,800

I recommend Tanzania Building Agency to introduce tenancy contract agreements with its tenants, issue demand notes or control numbers on rents to be collected, standardize its rates, and strengthen controls on rental collection. Also, introduction of salary deduction code that will enable direct recovery of housing allowance to civil servant occupying the apartments.

5.2.9 Unbilled Interests Charges on Delayed Rental Fees TZS 7.41 Billion

Clause 5.2 of the standard lease agreement between the Chief Executive - Tanzania Building Agency and tenants leasing Government buildings for residence and commercial purpose requires payments of 20 percent as interest for rental fees not paid in three months consecutively after becoming due.

I found that, the Agency has an outstanding rental fee of TZS 37.032 billion for more than three months. However, interest charges amounting to TZS 7.41 billion for the delayed payment has never been imposed to the defaulters of the leasing agreement.

I was informed that the Agency, was on the final stages of upgrading its rental collection system, which will enable to impose direct charges of penalties and send the bill automatically to tenants. Failure to impose penalties on delayed payments rationalizes the behaviour of non-payment of rents on time.

I recommend the Government through responsible authority to impose penalties on defaulters, a measure which is expected to enhance timely payments of rental charges, to enable the Government to collect revenues for financing other social and development activities.

5.2.10 High Rate of Non-Revenue Water TZS 561.80 Million

Non-Revenue Water (NRW) is the amount of water that a Water Service and Sanitation Authority produces or purchases for sale but lost before reaching customers. According to EWURA standards, the acceptable level of NRW for Water Authorities is equal to or less than 20 percent of all water produced. I noted the high rate of non-revenue water of up to 24 percent that is above the tolerable rate which is equivalent to loss of TZS 561.80 million from four water authorities, as shown in **Table 32**.

Table 32: Entities with High-Rate of Non-Revenue Water

Water Authority	Produced quantities	Sold Quantities	Non-revenue quantities	%	Quantities above tolerance rate	Average rate TZS	Amount TZS
Ruangwa	227,651	125,462	102,189	44	79,932	1,490	119,098,382
Ingunga	1,531,499	857,545	673,954	44	367,654	921	338,761,367
Orkesumet	80,763	46,035	34,728	43	18,576	2,078	72,176,084
Tunduma	245,065	154,253	90,812	37	41,799	760	31,767,240
Total							561,803,073

High rate of non-revenue water escalates to loss of revenue that could have been used to finance other operational costs of the Government

I recommend to the Government and responsible authorities to strengthen management of water resources including installation of modern infrastructure that will not cause leakage of water.

5.2.11 Unclaimed Deposit Balances not Remitted to Treasury TZS 1.92 Billion

My audit noted two entities; Ministry of Energy and Judiciary of Tanzania⁶ with deposit balances of TZS 1.92 billion that have stayed for more than five years and have not been remitted to Treasury. Compared to the reported balance of TZS 1.60 billion from three Ministries reported in the financial year 2019/20, I observe persistence in holding unclaimed funds in deposit account for more than nine years contrary to Regulation 133 of Public Finance Regulations 2001 which requires unclaimed deposit for more than five years to be paid into consolidated fund as revenue, with the approval of the Accountant General and refund to entitled person if he or she is satisfied that the claim is authentic.

⁶ Ministry of Energy TZS 1,570,440,950 and Judiciary of Tanzania TZS 358,173,401

It's my view point that, holding unclaimed funds over a very long time without transferring them to consolidated funds, denies the Government funds that would have been used in implementing other development activities.

I recommend to the management of the respective Ministry to surrender the unclaimed deposit funds into consolidated fund for allocation and implementation of other development projects

5.2.12 Absence of collection Strategy to Collect Registration and Practicing License Fees TZS 1.72 Billion

Section 30(1-2b) of the Medical, Dental and Allied Health Professionals Act, 2017 state that, any person who is a medical, dental or allied health professional and wish to practice, is required to apply for practicing license to the Council, the application is to be accompanied with the prescribed fees including; registration fee, and practicing license fees which is paid annually.

I noted that the Medical Council of Tanganyika is devoid of collection strategy for collecting practicing license fees from the registered practitioner, but rather depends on voluntary submission of the outstanding fees, a style which contributed to failure in collecting fees totalling TZS 1.72 billion.

Failure to collect from this identified source, limits implementation of the Council operational activities and Government at large.

I recommend to the Government and responsible authority to establish clear legal mechanism that will allow collections from practising license fees.

5.2.13 Revenue not Collected after Diverting Payment Modality TZS 938.51 Million

Tanzania Official Seed Certification Institute (TOSCI) is responsible for Certification and promotion of quality agricultural seeds produced or imported into the country for sale, to safeguarding farming community from poor (fake) seeds from vendors of farm inputs. The institute offers various services including; verification of new seeds, seed certification, training of seed dealers and training of authorized seed inspector.

Para 40 (2) of Seed Regulations 2007 states that, fee for any service offered by the Institution shall be paid to the institution at the time when the application for a particular service is made.

I found that, the institute has been offering services on credit basis and not collecting the services charges upfront, a factor that has led to outstanding collections of TZS 938.51 million for a duration of between 12 and 24 months, contrary to the above cited regulation.

Failure to timely collect fees adversely affects the liquidity of the institute, and render the institute financially incapable to smoothly discharge its obligations.

My recommendation to the responsible authority to ensure collections are charged and collected upfront prior to offering of services, instead of generating receivables and pause a risk of failure to collect.

5.2.14 Impaired Going Concern of the Association due to Failure in Collecting 90% of the Contributions from Members TZS 4.56 Billion

Association of Local Authorities of Tanzania (ALAT) was established for purpose to facilitate autonomous, responsible and capable Local Governments that provides quality services to people and communities. In order to facilitate operations of the association, Para 6(2) of the Constitution of ALAT required every Local Government Authority (Council) to participate in making contribution to the Association every year.

My review found that, the association failed to collect contributions amounting to TZS 4.56 billion from 181 Councils from the financial year 2015/16 to 2020/21 being 91% of the total required contribution of TZS 5.023 billion over the past five years. This situation raises an alarm on the going concern of the Association.

I recommend to the Association and its members to abide with the purpose of establishment of the Association, by ensuring that receives the agreed contributions to enhance its going concern and facilitate its daily operations.

5.2.15 Un-realized Collections from Vacant Hunting Blocks for more than two Years by Tanzania Wildlife Management Authority.

Regulation 38 (5), of the Wildlife conservation act, 2009 requires the establishment of Hunting Block Allocation Advisory Committee, which will be responsible for advising the Minister on the allocation of hunting blocks.

I found six⁷ hunting blocks worth USD 150,000 classified under category II and maintained by various game reserves were marketed and advertised in the auction in 2019, but remained vacant for more than two years.

I was informed by the management that the vacant hunting blocks are attributed to high operating cost triggered by long distance from the international airports. Maintaining vacant hunting blocks affects wild animal bio ecology and subsequently cause loss of Government revenue that could have been realized through sales of quota hunting and photographic tourism.

I recommend that the Government and responsible authorities ensure the quoted price on the Blocks take into account all relevant associated factors including operational costs and distances in order to make them competitive and attractive to bidders.

5.2.16 Penalties on distortion of Petroleum Bulk Procurement System not Collected TZS 13.40 Billion

A Bulk Procurement System (BPS) is the system established under the Petroleum Act and Regulations of 2017 to govern the importation of petroleum product in Tanzania.

Para.14.15 of the Petroleum Bulk Procurement System Implementation Manual, 2020 and Regulation 27 of Petroleum Regulation 2017 requires a purchaser of petroleum who delayed to open Letter of Credit (LC) or make prepayment, to be charged with penalty of 0.5 USD per matric tone per day and not allowed to participate in tenders until all payments including penalties have been fully paid within thirty days, after receipt of the demand note.

⁷ Muhesi - GR, Kizigo- GR, Kizigo - (E) - 2 - GR, Kizigo- (E) - 1 - GR, Kizigo west - GR, and Lukwika - Msanjesi

My review found that, Oil Marketing Companies distorted a Bulk Procurement System due to delay in opening Letter of Credit for procurement of petroleum, aspect that resulted into penalties of TZS 13.88 billion. However, it came to my attention that the Companies were able to pay the Agency a sum of TZS 481.69 million only as penalties of such distortion while the remaining sum of TZS 13.40 billion remained uncollected between year 2016/17 and 2020/21. Refer **Appendix XIV** for details.

Further the Agency has allowed the respective Companies with unsettled penalties and outstanding tax invoices to participate in another Bulk Procurement System, contrary to cited mandate.

I was informed that the management has entered into settlement deeds with the respective companies, and Director of Public Prosecution will be engaged to ensure companies comply with Laws and regulations.

Failure to timely collect the outstanding penalties limits the Government collection out of such malpractice, further the practice rationalizes non-compliance among the Oil Marketing Companies.

I recommend that the Government and responsible authority ensure the uncollected amount of TZS 13.40 billion is collected and all collections are done as per guiding manuals, Act and Regulation.

5.2.17 Absence of Contracts between Tanzania Forest Services and Telecom Companies on Collections from Telecommunication Towers within Forest Reserves TZS 622.18 Million

Sect. 26 (I) of the Forest Regulation act, 2002 state that no person, other than an existing right holder can exercise right within a forest reserve, unless such a person has been granted a concession or a license or a permit to erect building or Telecom structure in accordance with the provisions of this Act.

I reviewed management of revenue from Telecom companies and noted that any Telecom company which need to erect telecommunication towers within the forest reserves is required to sign an annual contract with Tanzania Forest Services (TFS) and submit information of the sub-

contracting companies using the infrastructure, and the contracts are supposed to be renewed on annual bases.

My review noted that, TFS had collected revenue amounting to TZS 687.28 million as annual fees for installation of infrastructure within the forest reserve. However, out of the collected amount, I was able to verify 27 contracts from subcontracting companies and two contracts from telecom companies who paid a sum of TZS 65.1 million while contracts for Telecom companies and their respective sub-contracting that paid a sum of TZS 622.18 million were not submitted for audit verification.

I attribute the noted weakness to absence of proper procedures on application and documentation system for contracts entered in installation of infrastructures within the forest reserves. Absence of renewable contracts for telecom companies utilizing forest reserve may lead to leakage of collections.

I recommend to management of the Agency to ensure proper procedures were established to manage contracts and conduct annual inventory counting to update the database of tenants and safeguard collections from telecommunication towers.

5.2.18 Absence of Effective Strategies to Collect Government Revenue from Land Sector Services TZS 77.58 Billion

Ministry of Land Housing and Human Settlements Development is responsible for preparing land use plans, issuance of land titles and customary titles, registration of land titles, to motivate and enable citizens to have better housing, resolve land and housing disputes, supervise the acquisition and maintenance of land records, moreover to oversee the collection of Government revenue from land sector services.

In order to simplify the management of Land and associated collections the Ministry introduced various measure including; Land Regularization Process, Kupima, Kupanga na Kumilikisha (KKK) program, Land Management Information Systems such as; Management of Land Information Systems (MOLIS) and Integrated Land Management Information Systems (ILMIS).

I reviewed effectiveness of collection strategies and noted, collections of TZS 200 billion was estimated for financial year ended 30 June 2021,

however only TZS 122.42 billion was collected resulting to under collections of TZS 77.58 billion equivalent to 38.8 percent.

The under-collection is attributed to many factors including; non integration of collection system and land management information systems, ineffectiveness of the system which is subjected to human errors hence, cannot produce accurate customers' records and allow automated billing, absence of effective strategies to collect from land rent defaulters. The Ministry is still using manual mechanism of public notice or physical issuance of demand notes instead of mobile text, also slow pace of Land Regularization Process

I recommend that demand notes or control numbers be timely issued on land rents to be collected, standardize its rates, and strengthen controls on land rent collection. Also, the Ministry and responsible Authorities to sort out obstacles encountered and ensure adequate management of land records to facilitate collection of government revenues from land sector services.

5.3 Audit of Consolidated Financial Statements

The Government of the United Republic of Tanzania (URT) has adopted the use of the International Public Sector Accounting Standards (IPSAS) accrual basis of accounting in the preparation of Financial Statements with effect from 1 July 2012. Therefore, the Government prepared its first IPSAS compliant Consolidated Financial Statements for the financial year ended 30 June 2013 as per the requirement of IPSAS 35. However, the Government is still facing challenges in the course of achieving full compliant Consolidated Financial Statements as observed during my audit of financial statements for the financial year 2020/21, these challenges include: -

5.3.1 Non-Justification on Disclosure Note on Adjustments Made in the Statement of Changes in Net Assets and Equity TZS 7,113 Billion

My review of the revised Consolidated Statement of Changes in Net Assets for the year ended 30 June 2021 noted that, the accumulated surpluses were adjusted by deducting TZS 7,113 billion shown in **Table 33** as other appropriations. However, these adjustments were not supported by any disclosure notes to enhance the understandability of the Consolidated Financial Statements. This is contrary to requirements of Para 118(d) of IPSAS 1 that requires disclosure in the statement of changes in net

assets/equity of the total adjustments to each component of net assets/equity.

Table 33: Adjustments in Statement of Changes in Net Assets made without Justifications and Disclosure Notes

SN	Component of Statement of Changes in Net Assets	Adjustments in Revised Consolidated Financial Statements (TZS '000')
1	Tax Payers Fund	547,609,229
2	Accumulated Surplus/deficit	(7,475,552,824)
3	Foreign Currency Revaluation	(393,261)
4	Fair Value Reserves	(102,080,444)
5	Deferred Tax Reserves	(818,962)
6	Defined Benefit reserve	3,299
7	Revaluation Surplus	(81,375,450)
	Total	(7,112,608,413)

Source: CFSs for the year 2020/21

I recommend that Government establish effective mechanism for validation of reported figures in the CFS and enhance disclosure of the reported figures for effective and fair presentation of the reported balances.

5.3.2 Non-disclosure of Transactions and Obligations within Public Sector Entities in Individual Financial Statements

My review of elimination reports in the Consolidated Financial Statements, elimination analysis report and 44 sampled individual financial statements used in the consolidation process noted TZS 7,377 billion were reported as elimination in the CFS on 30 June 2021 while TZS 591.58 billion were disclosed in Individual Financial Statements as transactions made with public entities. This has resulted to TZS 6,786 billion eliminations not disclosed in Individual Financial statements which is contrary to Para 3.1.5 of Accounting Circular No.6 of 2019/20 that requires Accounting Officers to disclose obligations, transfers and transactions between public sector entities showing the transactions that the reporting entity has entered with other entities within the public sector.

I recommend that Government put more emphasis to accounting officers on adherence to Accounting Circular number 6 of 2019/20 which requires accounting officers to include a schedule of intra entities transactions in their financial statements so as to enhance accurate elimination process during preparation of Consolidated Financial Statements.

5.3.3 Non-Recognition of Significant Forest Plantations in Consolidated Financial Statements

My review of the Consolidated Financial Statements for the year ended 30 June 2021 noted an increase of TZS 8.96 billion for trees in forest plantations from TZS 127.70 billion (in 2019/20) to TZS 136.66 billion covering 33.5 million hectares of forests and woodlands including 308,442 hectares of plantation forest.

My further review of sampled individual financial statements noted that, Tanzania Forest Service Agency (TFSA) has 117,267 hectares of plantation forest which meet recognition criteria, however, were not recognized in the Consolidated Financial Statements.

I noted the government initiative regarding issued Circular No. 7 of 2020/21 which guides Accounting Officers to recognize and record biological assets on their groups in compliance with IPSAS 27 together with conducting training for capacity building to accountants on the best practice in the application of IPSAS.

I highlighted the same issue through Para 5.4.7 in my general report of 2019/20, I am still concerned with the unfair presentation of the government biological assets in the Consolidated Financial Statements as a significant part of forest plantations held by principal public entities neither recognized nor disclosed. Considering that the similar planted trees were recognized by other public entities and reported as biological assets in the financial statements.

I recommend the Government to establish identification mechanism of forest plantations and account for in the consolidated financial statements in compliance with IPSAS so as portray the true value of the government plantations forest.

5.3.4 Eliminations of Intra Economic Entities in the Consolidated Financial Statements

Para 40 (a) to (c) of IPSAS 35 requires consolidating entity to combine assets, liabilities, revenues and expenses of the controlling entity with those of the controlled entities. Also, it requires eliminating in full all intra economic entity assets, liabilities, net assets, equity, revenue, expenses and cash flows relating to transactions between entities of the economic entity. The

objective of the procedure is to remove double counting and enhance actuality of reported events in the financial statements.

My review of Consolidated Financial Statements and individual controlled entities' financial statements noted the following anomalies;

(a) Non-Elimination of Intra Government Finance Costs TZS 302.81 Billion

My review of Consolidated Statement of Financial Performance, elimination analysis (Note 13) and related note of finance cost (Note 43) for the year ended 30 June 2021 noted that, a total of TZS 302.81 billion being intra government entities transactions made up of special bonds, overdraft, liquidity management cost, Government stock and Government bonds. The total balance of TZS 302.81 billion has not been eliminated as required by Para 40(c) of IPSAS 35 which has resulted to overstatement of reported finance cost.

(b) Overstatement of Assets by TZS 1,747 billion due to Non-Elimination of Qualifying Items

My review of 532 sampled individual financial statements amounting TZS 24,592 billion noted that, 152 out of 532 individual financial statements amounting TZS 1,747 billion of receivables, prepayments, loan receivable and other financial assets in relation to Government entities had no evidences for elimination made in the consolidated Financial Statement.

I recommend the Government to establish an effective mechanism for an entity to report inter-entity transactions and Implement validation of reported figures in the system for effective elimination between intra governmental entities to ensure reporting of correct figures.

5.3.5 Unrealistic Reported Figure of Investment in Associates TZS 750 Billion

My review of Investments in Associates and Joint Ventures noted that, out of the reported figure of TZS 2,171 billion in the consolidated statement of financial position, Government had 18 investments in Associates, Joint Ventures and shares with a total value of TZS 750 billion as shown in the **Table 34**. Further review on the 18 submitted individual financial statements noted that, balances have been recognized and consolidated while having different reporting dates as compared to dates of the Consolidated Financial statements for the year ended 30 June 2021. The

noted reporting dates ranged from June 2018 to December 2020 which results into unrealistic figures of investments and their share of surplus/ (deficit).

This is contrary to Para 36 of IPSAS 36 (a & b) which requires most recently available financial statements of the associates or joint ventures to be used by the entity in applying the equity method or adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the entity's financial statements.

Table 34: Reporting Dates of Associates and Joint Ventures and Consolidated Financial Statements

SN	Name	Reporting Date	As at 30-06-2021
			TZS (000)
1	Tanzania Zambia Railway Authority (TAZARA)	30-June-20	371,195,000
2	NBC BANK LTD	31-Dec-20	80,425,400
3	Airtel (T) Limited)	31-Dec-20	2,657,584
4	East African Cables (T) Limited	31-Dec-19	3,917,832
5	Kilombero Sugar Company	31-Aug-20	30,407,157
6	Mbinga Coffee Curing	30-June-19	4,550,062
7	Mbozi Coffee Curing	30-June-19	3,244,357
8	Mbeya Cement Co. Limited	31-Dec-20	13,595,474
9	New Africa Hotel Limited	30-June-20	206,384
10	Puma Energy Tanzania Limited	31-Dec-19	82,514,100
11	Tanscan Timber Co. Limited	30-Jun-19	-
12	TANELEC LTD	31-Dec-20	-
13	TAZAMA Pipelines Limited	31-Dec-20	413,125
14	TIPER	31-Dec-19	-
15	Tanganyika Planting Co. (TPC)	30-June-20	40,032,155
16	Chinese Tanzania Joint Shipping Co. Limited	31-Dec-18	23,504,090
17	UDA RAPID TRANSIT PLC	31-Dec-18	93,442,178
18	Williamson Diamond Limited	30-June-18	-
Total			750,104,898

I recommend the Government to enhance follow up mechanism for the entity to submit latest financial statements and ensure that consolidation of Associates and Joint Ventures complies with requirements of Para 36 (a) & (b) of IPSAS 36.

5.4 Public Debt

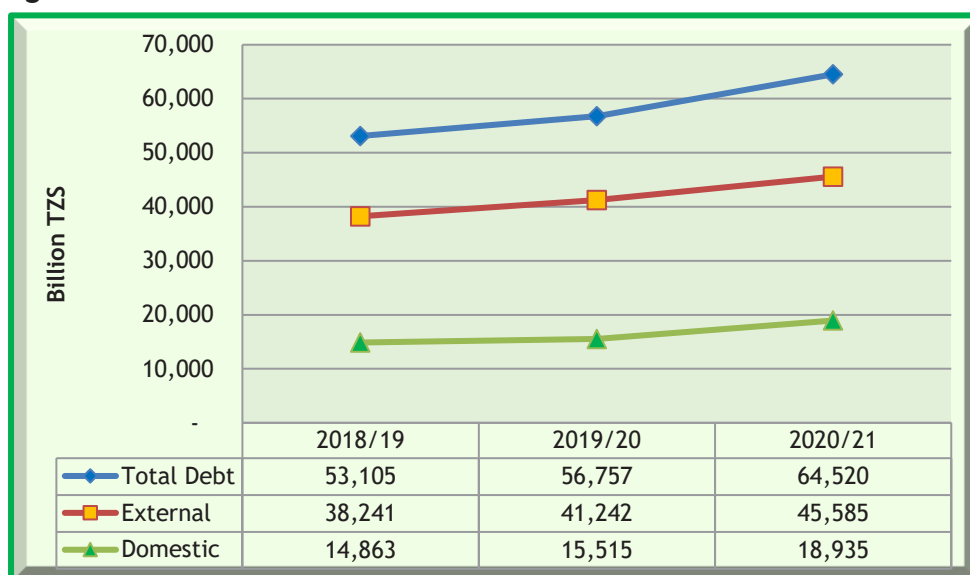
Public Debt refers to the sum of all domestic and external obligations of the Government entities. For purposes of effective debt management, the Minister of Finance and Planning is vested with exclusive powers to raise foreign and local loans, issuing guarantees for and on behalf of the Government as provided under Sections 3, 6, and 13 of the Government Loans, Guarantees and Grants Act. No.30 of 1974 [R.E 2004] as amended from time to time.

5.4.1 Public Debt Portfolio Analysis

The Public Debt as at 30 June 2021 stood at TZS 64,519.63 billion compared to TZS 56,756.70 billion reported in 2019/20, an increase of TZS 7,762.93 billion (13.7%) in the current year compared to the increase of TZS 3,652 billion (seven percent) in the previous year.

Public debt is made up of Domestic and External Debt Stock of TZS 18,934.61 billion and TZS 45,585.02 billion in the financial year 2020/21 respectively compared to TZS 15,515 billion and TZS 41,242 billion in 2019/20 **Figure 19** illustrates the trend of public debt stock from 2018/19 to 2020/21.

Figure 19: Trend of Public Debt



Source: Public Debts and General Services Financial statements 2018/-9 - 2020/21

5.4.2 Movement of Domestic Debt Stock

During the financial year 2020/21, the domestic debt increased by TZS 3,420 billion equivalent to 22% of the debt registered in 2019/20. The trend of domestic debt portfolio from 2018/19 to 2020/21 is shown in **Table 35**.

Table 35: Domestic Debt Portfolio Trend (Face Value)

Financial Year	Debt portfolio	Increase	
	TZS billion	TZS (billion)	Percentage
2020/21	18,935	3,420	22
2019/20	15,515	652	4
2018/19	14,863	131	1

Source: Public debt financial statements 2018/19 to 2020/21

Further, I noted proceeds from domestic borrowing at face value were TZS 6,550 billion, out of which short and long-term borrowings were TZS 3,331 billion (51%) and TZS 3,219 billion (49%) respectively for 2020/21. **Table 36** shows composition of domestic borrowing from 2018/19 to 2020/21 (Face Value).

Table 36: Composition of Domestic Borrowings (Face Value)

Borrowing source	2020/21		2019/20		2018/19	
	TZS Billion	%	TZS Billion	%	TZS Billion	%
Long term	3,219	49	3,099	58	1,273	29
Short term	3,331	51	2,236	42	3,075	71
Total Borrowings	6,550	100	5,335	100	4,348	100

Source: Public debt financial statements 2018/19 to 2020/21

The increase in domestic borrowings is attributed to rollover of maturing domestic debt obligations and increase in net domestic financing.

5.4.3 Movement of External Debt Stock

External debt as of 30 June, 2021 stood at TZS 45,585 billion against TZS 41,242 billion as of 30 June 2020 recording an increase of TZS 4,343 billion in the current year, equivalent to 11%. **Table 37** shows composition and trend of external debt from 2018/19 to 2020/21.

Table 37: External Debt Portfolio Composition and Trend

External Debt portfolio by creditor category	2020/21		2019/20		2018/19	
	TZS Billions	%	TZS Billion	%	TZS Billion	%
Multilateral Organizations	26,556	58	24,150	59	22,116	58
Bilateral creditors	5,098	11	4,773	12	4,469	12

External Debt portfolio by creditor category	2020/21		2019/20		2018/19	
	TZS Billion s	%	TZS Billion	%	TZS Billion	%
Export-import creditors	6,384	14	6,257	15	6,368	17
Commercial Creditors	7,547	17	6,062	15	5,288	14
Total External Debt portfolio	45,585	100	41,242	100	38,241	100
Increase	4,343	11	3,001	8	2,047	6

Source: Public debt portfolio worksheet for years 2018/19 to 2020/21

I noted that the increase of external debt was a result of net disbursement (new disbursements less principal repayments) and exchange rate loss.

5.4.4 Debt Sustainability Analysis

My review of Debt sustainability reports for public debt published by IMF (IMF Country Report No. 21/213) of September 2021 and Tanzania (National Debt Sustainability Analysis) of November 2021 noted that public debt is sustainable.

The present value of public debt (external and domestic debt) to GDP ratio remained contained at around 30%, which is below 55% threshold and is projected to remain so for the entire horizon, in line with the projected primary balance fiscal stance.

Likewise, the present value of public and publicly guaranteed external debt as a share of GDP remains below the 40% indicative threshold throughout the projection period. The score ranges between 18% to 20% for the entire horizon. However, the risk of distress for external debt has increased from low-risk rating in the previous reports to a moderate in the current report. This is attributed to the impact of COVID 19 pandemic on tourism sector of the country and global economy at large.

I recommend the Government to improve domestic revenue collection; strengthen exports to help improve liquidity and solvency debt indicators; and ensuring proceeds from commercial loans are invested in the projects with higher returns

5.4.5 Undisbursed Contracted Loans TZS 2,380 Billion

My review of debt portfolio database noted eleven contracted loans worth TZS 2,380 billion signed between 1990 and 2020 but were not disbursed as of 30 June 2021.

Further, I noted these loans were registered in the Commonwealth Secretariat- Debt Recording and Management System but there were neither corresponding transactions of disbursement nor repayment. This is attributed to delays of the Government in fulfilling conditions precedent and procurement procedures.

I recommend the Government to enhance coordination mechanism in facilitating reconciliation of signed loan contracts and their disbursements; and make follow up through National Planning Division (NPD) with implementing agents to ensure conditions precedent are timely fulfilled to allow disbursements.

5.5 General Services Management

5.5.1 Unpaid Charges to Commercial Banks TZS 4.51 Billion

My review of Vote 22 financial statements noted the Government budgeted TZS 3.20 billion for the payment of bank charges and commission to commercial banks.

However, the same were not paid instead transferred to the deposit account while there were outstanding bank charges due to NMB and CRDB worth TZS 4.05 and TZS 0.46 billion respectively for the period from October 2019 to June 2021. The unpaid charges have been attributed to pending reconciliation and verification of the bills submitted by commercial banks to the Government.

I recommend that the Government should ensure timely reconciliation and verification of bills submitted by the commercial banks to enable timely payments to service providers.

CHAPTER SIX

EXPENDITURE MANAGEMENT

6.0 Introduction

Ministries, Departments and Agencies (MDAs) spend public funds to deliver services to taxpayers according to the mandates entrusted by their establishments. Accounting Officers in MDAs are vested with responsibilities on the spending, so they are equally accountable. To ensure such accountability, the Controller and Auditor General has been given constitutional mandate to provide assurance to taxpayers through the Parliament.

Over time, my audit has continued to evaluate controls on management of public funds and provided recommendations for strengthening control systems that would give a reasonable assurance on expenditures made using taxpayers' funds.

This chapter highlights key findings on expenditure management in MDAs and Regional Secretariats. I learned that, there are notable improvements on expenditure management in line with the requirements of the applicable laws and regulations. However, more improvement is paramount especially on ensuring; adequate and appropriate documentations are in place when making payments, payments are made through proper budgetary and accounting codes, payments are made within the authorized budgetary limits, payments made are fruitful, timely retirement of imprests, withhold and timely remittance of taxes to Tanzania Revenue Authority and demanding electronic fiscal receipts when making payments to suppliers.

The details of deficiencies I noted on expenditure management are as highlighted below.

6.1 Payments without Relevant and Adequate Supporting Documents TZS 6.35 Billion and Missing Payment Vouchers TZS 587.58 Million

During the year under review, my audit found that 48 entities made expenditures amounting to TZS 6.35 billion without relevant and adequate supporting documents. Effecting payments without supporting documents is contrary to regulation 86 of Public Finance Regulation, 2001 that requires all disbursement of public money to be appropriately vouched and have

attached to it full particulars of the services for which payments were made. See **Appendix XV** for more details.

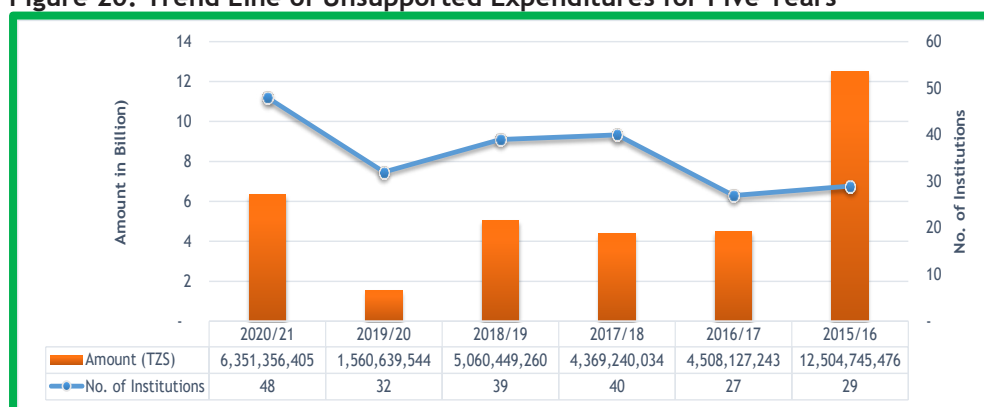
My audit also found that, payment vouchers amounting to TZS 587.58 million (TZS 2.64 billion during the year 2019/20) made by 10 entities were missing thus, I could not obtain assurance on their propriety. According to Regulation 18(1) (f) & (2) of Public Finance Regulation, 2001, missing payment vouchers are regarded as cash loss and should be included in the statement of loss by the Accountant General. **Table 38** provides more details and the trend of unsupported expenditures is represented in a **Figure 20**

Table 38: Missing Payment Vouchers

SN	Entity	Amount (TZS)
1	Tanzania Commission for AIDS	45,920,000
2	Dar es Salaam Regional Secretariat	49,557,196
3	Mtwara Regional Secretariat	10,981,969
4	Lindi Regional Secretariat	26,759,515
5	National Electoral Commission	140,434,385
6	National College of Tourism	21,325,000
7	Property and Business Formalization Program (MKURABITA)	8,733,400
8	Constituencies Development Catalyst Fund (CDCF)	1,200,000
9	Sokoine Regional Referral Hospital	62,283,916
10	Kibong'oto Infectious Diseases Hospital	220,381,799
Total		587,577,180

Source: Individual Management Letter for 2020/21

Figure 20: Trend Line of Unsupported Expenditures for Five Years



I attribute the presence of unsupported expenditures as well as missing payment vouchers to deficiencies in internal controls over expenditure management and the Accounting Officers failure to take appropriate

measures to address the deficiency. The noted anomaly raises the risk of fraudulent and fictitious payments since I could not authenticate the propriety thereon.

I recommend that Accounting Officers continue strengthening internal controls on financial management systems to ensure all payments are appropriately and sufficiently supported with the required documents. Also, I recommend appropriate disciplinary actions to be taken against officers causing such deficiencies.

6.2 Nugatory Payments TZS 482.6 million

Reg. 11 (3) (c) of Public Finance Regulation, 2001 requires Accounting Officer to ensure that the public funds and resources for which he is responsible as Accounting Officer are properly and well managed and safeguarded, with independent and effective checks of cash balances in the hands of any official; similar care, including checks as appropriate, must be taken of stores, equipment or property of any kind held by his department.

Reg. 21 (2) of Public Finance Regulations, 2001 defines fruitless or nugatory payment as a payment which is unavoidable and there is nothing useful to show for it.

My audit found that nine entities made payments amounting to TZS 482.6 million that I regard wasteful as the entity could have avoided had reasonable care been exercised. The payments were paid in respect of activities which had no direct impact on the service delivered by MDA's. **Appendix XVI** provide details of payments.

My audit found that, nugatory payments result from inadequate financial management and controls. Further, the general report for the previous year noted that nugatory expenditures were TZS 453.78 million, indicating an increase of nine entities and TZS 28.82 million for the year under review. Without sound and robust financial management systems, Government may continue to suffer these losses through expenditures that could have been avoided.

I insist on my recommendation to the Accounting Officers and those involved in decision making, to strengthen internal controls and ensure compliance with rules and regulations in making timely payments of maturing obligations so that nugatory expenditures are avoided.

6.3 Unbudgeted Payments TZS 6.17 Billion

Sect. 27 (4) of Budget Act, 2015 states that, where an appropriation for the Government and public entities has been approved, it shall use it only in accordance with the purpose described and within the limits set by different classifications within the Government and public entity estimates.

My audit revealed that, 19 entities made payments amounting to TZS 6.17 billion above the approved budget without evidence of reallocation approvals contrary to the Budget Act of 2015. I attribute this deficiency to oversight by management to comply with the Budget Act and adhere to approved budget. Unbudgeted payments hinder effective implementation of planned activities thereby adversely affecting achievement of planned objectives. **Appendix XVII** provides more details.

Compared with the previous year, number of entities with unbudgeted payments has increased from six to 19 while the amount has decreased from TZS 24.41 billion to TZS 6.17 billion, showing that the problem still persists.

I recommend, management to ensure all expenditures are in line with the approved budget as required by the Budget Act.

6.4 Irregular Payments TZS 1.25 billion

Reg. 11 of Public Finance Regulations, 2001 requires the Accounting Officers to ensure that the public funds and resources for which they are responsible as Accounting Officers are properly managed and safeguarded.

My audit found that 19 entities made irregular payments amounting to TZS 1.25 billion. As reported in the previous year, MDA's have continued to spend public funds on irregular payments, with an increase of TZS 1.19 billion which is equivalent to 2,235%. Those irregularities included; payment of allowances to staff who are not entitled, payments to n-n - staff without any guiding policy, payments not related to activities that were intended and payments of VAT to various suppliers and service providers that were not VAT registered. More details of irregular payments are as shown in **Appendix XVIII**.

I am of the view that irregular payments defeat effective budgetary management controls because, these funds could be allocated and spent on other approved activities.

I insist on my recommendation to Accounting Officers to observe financial management laws, regulations and directives and where any lacuna is noted in the law, appropriate authority should be sought in writing.

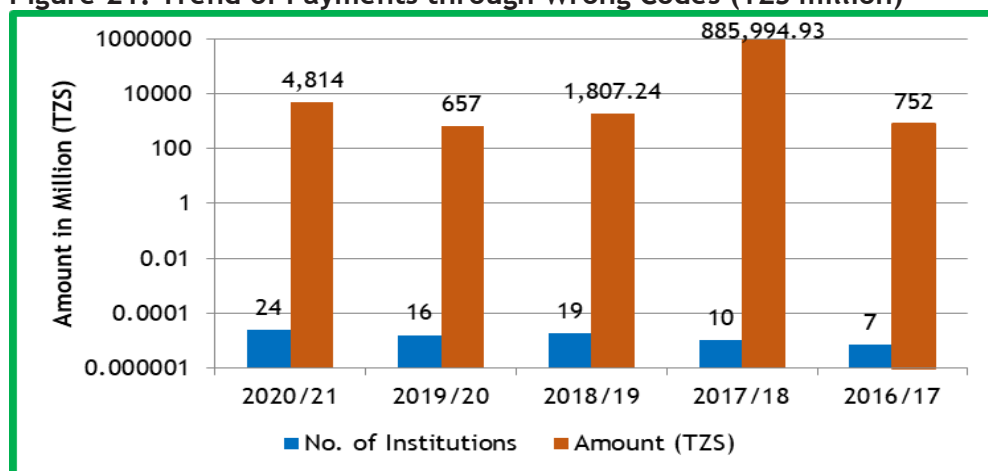
6.5 Payments Charged to Wrong Accounting Codes TZS 4.57 Billion
Reg.46 (2) of Public Finance Regulations 2001 requires every charge of expenditure and item of income to be classified strictly per the details of the approved budget.

I found that 24 entities charged expenses amounting to TZS 4.57 billion to incorrect account codes contrary to the requirement of regulation 46(2) of Public Finance Regulations.

Payments through wrong codes not only mislead financial reporting, but also distort the rationale of effective budgetary controls. Lack of budget control undermines the budgeting process and the intention of appropriating authority as funds are not fully utilized for the intended purposes. Payments through wrong accounting and budgetary codes also implies improper reporting of financial statements. Summarized analysis of those entities is as shown in **Appendix XIX**.

Compared with previous years, the trend is shown in the pictorial presentation shows that the weakness has persisted, therefore, Accounting Officers should exert more efforts to address this weakness.

Figure 21: Trend of Payments through Wrong Codes (TZS million)



Source: Management Letters

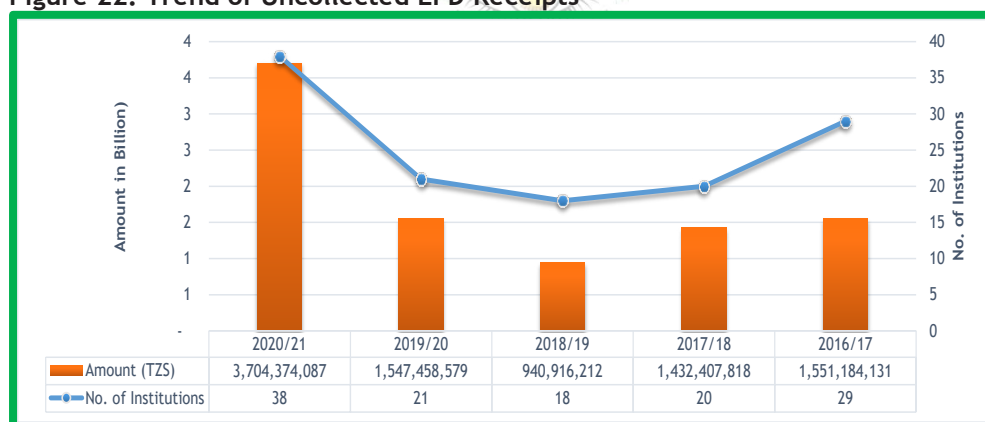
I recommend that Accounting Officers should ensure that expenditures are made within the approved budget and on right accounting codes, when necessary; reallocation has to be sought as per the Public Finance Regulations requirement.

6.6 Payments made without Demanding Electronic Fiscal Device (EFD) Receipts TZS 3.70 Billion

My audit found that 38 entities paid a total of TZS 3.70 billion to various suppliers without demanding EFD receipts. This is contrary to Sect. 36 (1) of the Tax Administration Act (TAA), 2015 (R.E 2019) and Reg. 28(1) of the Income Tax (Electronic Fiscal Devices) Regulations, 2012 that requires the supplier and buyer to issue or demand EFD receipts on every purchase. Analysis is shown in **Appendix XX**.

Compared with previous financial year, there is an increase of TZS 2.14 billion and number of entities increased from 21 to 38. This shows that the issue is persistent. Trend of six consecutive years indicates a decrease as shown in the trend as per **Figure 22** below.

Figure 22: Trend of Uncollected EFD Receipts



Source: Management Letters

Failure to demand EFD receipts promotes tax evasion and cripples Government efforts to collect revenues.

I recommend to the Accounting Officers to ensure compliance with tax laws by demanding EFD receipts from suppliers. I call upon Accounting Officers to abstain from procuring goods and services from suppliers who do not use EFD machines.

6.7 Withholding Tax not Deducted and Remitted to Tanzania Revenue Authority (TRA) TZS 746.09 Million

According to Sect. 83(1) I (ii) of Income Tax Act, Cap 332 (R.E 2019), Accounting Officers are instructed that, withholding taxes are to be deducted on service fees, goods purchased and contract payments and be remitted to the Revenue Authority (TRA) within seven days after the end of each calendar month.

My audit found that, during the year under review, 23 entities did not withhold and remit to TRA withholding taxes amounting to TZS 746.09 million contrary to Income Tax Act. **Appendix XXI** provides details.

When compared to previous report, there is an increase of TZS 686.05 million on non-compliance with withholding tax, indicating that, there is inadequate emphasis by Accounting Officers to address the issue. Analysis of five years is as shown in **Table 39**.

Table 39: Percentage Change for Withholding Tax Not Deducted for Five Years

Financial Year	Number of Entities	Withholding Tax not deducted (TZS)	Percentage Change
2020/21	24	746,089,452	1,143
2019/20	4	60,035,534	155
2018/19	5	23,501,217	-97
2017/18	7	722,173,494	562
2016/17	10	109,163,824	-89

Source: Prior Years CAG report and Management Letters for 2020/21

I opine that failure to withhold tax may lead to loss of Government revenues thereby affecting Government planned activities.

I recommend that Accounting Officers ensures all withholding taxes are deducted and remitted to Tanzania Revenue Authority as required by the Income Tax Act.

6.8 Inadequate Management of Imprests TZS 3.42 billion

Reg. 103 of Public Finance Regulations, 2001, imprests retirement is supposed to be done as soon as the necessity for them cease to exist and in any event, by the close of business on the last working day of the financial year issued unless otherwise permitted by another provision of Public Finance Regulations.

Further, Reg. 103 (2) stipulates that except as provided under these Regulations, where a public officer to whom an imprest has been issued fails

to retire it in full within 30 days of the close of the financial year in which the imprest was issued or otherwise on the demand of the Accountant-General, the amount outstanding may forthwith be recovered from any salary or other emoluments or from any other amounts due to the officer.

Due to the recurrence of unretired imprests over years, it is evident that Accounting Officers have not taken adequate measures to address this weakness. As of 30 June, 2021, I found that 30 entities had unretired imprests amounting to TZS 3.43 billion as shown in **Appendix XXII**.

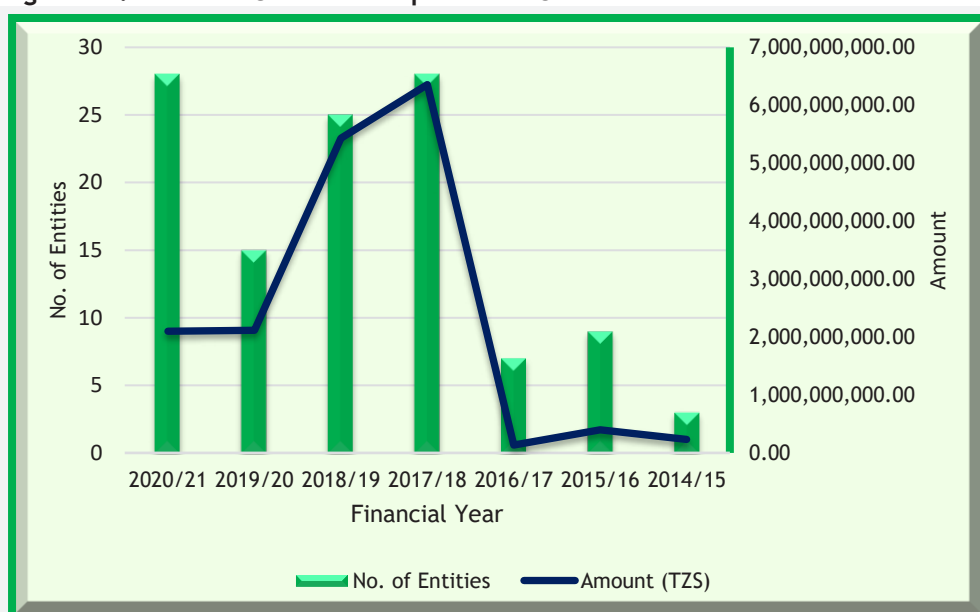
Also, I found that, eight entities treated imprests of TZS 823.49 million as final expenditure, contrary to Reg. 98(2) of Public Finance Regulations, 2001 which states that, 'an imprest must not be charged in the accounts as final expenditure, but the actual payments out of such imprests being so charged and the full amount of the imprest issued must be entered in the cash book as a payment and will be allocated under a separate account'. Charging imprests as final expenditure has a significant risk of misuse of public funds. Summarized analysis of those entities is as shown in **Table 40** below and the trend of unretired imprests is as shown under **Figure 23**.

Table 40: Entities that Treated Imprests as Final Expenditure

SN	Entity	Amount (TZS)
1	Ministry of Minerals (Vote 100)	533,123,574
2	Ministry of Health, Community Development, Gender, Elderly and Children (Vote 53)	37,687,177
3	Ministry of Health, Community Development, Gender, Elderly and Children (Vote 52)	102,156,700
4	Geita Regional Secretariat	67,781,620
5	Shinyanga Regional Secretariat	11,802,372
6	Pwani Regional Secretariat	11,090,220
7	Bukoba Regional Referral Hospital	10,358,000
8	Geita Regional Referral Hospital	49,483,434
Total		823,483,097

Source: Management Letters for 2020/21

Figure 23: Trend of Unretired Imprests for Seven Years



From the trend above, unretired imprests continue to be an area of concern in my annual reports over years. These weaknesses are caused by deficiencies in internal controls over management of imprest, which if not addressed, may lead to misappropriation of public monies.

I recommend to the Accounting Officers to enhance internal controls over management of imprest as per the Public Finance Regulations. Also, ensure that follow up mechanisms are designed to trace and recover the outstanding imprests from employees who failed to account for.

6.9 Unauthorized Payments TZS 2.44 billion

Reg. 88(1) of the Public Finance Regulations of 2001, requires the Accounting Officer or any designated persons to sign/approve all payment vouchers, before payment is made.

My audit revealed that nine entities made payments amounting to TZS 2.44 billion without authorizations from the designated officials. Lack of authorizations were attributed by management oversight and deficiencies in controls on preparation and authorization of payment vouchers. There is a risk that dishonest individuals may take advantage and misappropriate public funds in the absence of robust controls in preparation and approval of payments.

When compared with the previous year, number of entities questioned on this has increased from seven to eight while the amount has decreased from TZS 3.23 billion to TZS 2.66 billion. Accounting Officers need to continue to strengthen internal controls to ensure payments are properly authorized. Details are shown in **Table 41**.

Table 41: Unauthorized Expenditures

SN	Entity	Category	Amount (TZS)
1	Drugs Control and Enforcement Authority	91	111,280,879
2	Ministry of Health, Community Development, Gender, Elderly and Children	53	26,760,000
3	Registrar of Political Parties	27	47,421,885
4	National College of Tourism	Agency	6,176,000
5	Tanzania Revenue Authority - Expenditure	Agency	388,183,640
6	Ifakara Urban Water Supply and Sanitation Authority (IFAUWSA)	Agency	67,352,927
7	Njombe Regional Referral Hospital	RRH	1,684,839,488
8	Tanzania Wildlife Protection Fund	Fund	37,938,971
9	Medical Radiology and Imaging Professionals Council (MRIPC)	Other Institution	72,364,685
Total			2,442,318,475

Source: Individual Management Letters for 2020/21

I continue to recommend that Accounting Officers of the entities with this deficiency should ensure that all payment vouchers are authorized by relevant officers as required by Public Finance Regulations.

6.10 Fuel not Properly Accounted for TZS 507.63 Million

Reg. 277 of the Public Finance Regulations, 2001 details proper keeping of fuel records as well as details of journey and usage of fuel.

During the year under review 26 entities purchased fuel worth TZS 554.6 million without records including fuel ledgers and logbooks to show how the purchased fuel were utilised. This is contrary to Reg. 277 of the Republic Finance Regulations, 2001 which details how entities are supposed to maintain up to date records of fuel utilisation. Refer an **Appendix XXIII** for details.

I am of the view that inadequate recording of fuel utilisation was caused by laxity of Procurement Management Unit (PMU) and Transport Officers in executing their functions effectively.

In the absence of fuel ledgers and logbooks, I was not able to confirm receipt and issue of the fuel amounting to TZS 507.63 million and, consequently, the propriety of the expenditure could not be ascertained. This raises the risk that the fuel could have been used for unintended purposes.

I recommend to the Accounting Officers for the entities with the noted deficiency to strengthen internal controls by ensuring proper recording of fuel in ledgers and logbooks such that the accountability for the fuel utilised is ensured.

6.11 Unspent Fund Balance in Expenditure Imprest Accounts TZS 1.24 billion

My audit noted that 10 entities had unspent balance of TZS 1.24 billion in their expenditure imprest accounts as at 30 June 2021. This contravenes para 3.12 of the Accounting Circular No. 7 of 2020/21 on the preparation of financial reports and closure of the financial year ended 30 June 2021, issued by Accountant General on 19 May 2021. On behalf of the Paymaster General, the Accountant General instructed Accounting Officers to ensure that, imprest accounts opened to carter for the payments made to Accounting Officers on behalf of employees and for specific activities shall have no balance at the end of respective financial year. **Table 42** provide details.

Table 42: Unspent Balance in Expenditure Imprest Accounts

SN	Entity	Category	Amount (TZS)
1	President's Office-Records and Archives Management Department	4	116,506,570
2	Judiciary of Tanzania	40	350,814,655
3	Ministry of Home Affairs	51	113,404,115
4	Office of Attorney General	16	42,959,014
5	Songea Regional Referral Hospital	RRH	30,162
6	Temeke Regional Referral Hospital	RRH	250,905,073
7	Tanga Regional Referral Hospital	RRH	48,915,247
8	Mawenzi Regional Referral Hospital	RRH	150,588,024
9	Tabora Regional Referral Hospital	RRH	151,435,034
10	African Peer Review Mechanism	Other Institution	13,243,043
Total			1,238,800,938

Source: Individual Management Letters 2020/21

I attribute the anomaly to the laxity by the pertinent Accounting Officers in complying with Government Directives. This raises the risks for the cash balances to be misused if appropriate measures are not taken.

I recommend for management to comply with Accounting Circulars issued by Accountant General and propriety on ensuring that any unspent funds are returned to the government consolidated account as per the directives.

6.12 Service Costs Paid to Private Garage Instead of Police Vehicle Maintenance Unit TZS 178.21 million

Police motor vehicle maintenance unit was established in 1969 for maintenance of all police cars and motorcycles in Tanzania mainland.

My audit revealed that for the financial year 2020/21, TZS 178.21 million was paid to various private garages in respect of outsourced maintenance services for motor vehicles instead of being paid to Police Vehicle Maintenance Unit. Outsourcing of private garages by police, is attributed to a number of factors, including; changes in motor vehicle technology, the unit staff not adequately equipped with appropriate trainings, emerging latest skills in the market, and lack of appropriate and adequate resources.

I am of the view that, the failure of the Police Motor vehicle maintenance unit staff to be equipped with the modern knowledge and resources, could render the motor Unit irrelevant and make the Government incur maintenance costs which could have been avoided.

I recommend Police Force in collaboration with Ministry of Finance and Planning to ensure that the Police Vehicle Maintenance Unit is adequately capacitated to conduct future motor vehicle repairs and maintenance, for safety and cost minimization.

6.13 Anomalies on Refund made in Respect of Live Animal Trade TZS 138 Million

Sect. 91 (3)(b) of the Wildlife Conservation Act, 2009 stipulates that, one of the sources of funds for Tanzania Wildlife Protection Fund (TWPF) is 25% from proceeds of sale of every live animal. The remaining 75% has to be transferred to Treasury Account.

The Ministry of Natural Resources and Tourism (MNRT) through Tanzania Wildlife Management Authority and in its ordinary business has been issuing business licenses for sales and capturing of live animals. Business owners have to apply for license of capturing live animals from October until November 15 each year. A valid business license upon payment of license

fees lasts for one year on which a business quota of different species will be assigned.

However, my audit noted that MNRT through the Minister of Natural Resources and Tourism suspended live animal trade via a public press made on 17 March, 2016. The basis of suspension was review of the regulations relating to live animal trade.

Due to the suspension (which was from 2016 to 2019), the issuance of permits and licences for sale of live animals was eventually stopped. This forced the permits issued and paid up by business companies to be cancelled and suspended until further notice.

In view of the above, I noted as at the time of the suspension in March 2016, a total of TZS 173.29 million had already been paid by business companies to MNRT. Therefore, on 21 May 2021, out of TZS 173.29 million owed to companies, I noted that TWPF disbursed refunds amounting to TZS 138.00 million that was verified and approved by the Permanent Secretary of the Ministry (MNRT).



However, I observed the following anomalies in relation to the refunds made to the companies:

- a) I found that TWPF was supposed to refund 25% of the total amount received from companies and the other 75% to be refunded by Treasury according to fees prorating ratio stipulated in sect. 91(3)(b) of the Wildlife Conservation Act, 2009. Contrary to this, I noted that refunds claimed by companies were paid in full by TWPF without considering the prevailing ratio at the time of payment. Due to this, some of the planned activities of the TWPF were inadequately implemented due to lack of funds.
- b) The MNRT provided TWPF with verified 138 companies for compensation with their business bank account for refund process. I noted that, the amount paid was into different accounts rather than those verified by the Ministry. Management could not provide me with commitment letters that would warrant payments to be made in different bank accounts apart from those verified. I attribute this as reluctance by management to abide with public finance regulation 87 of 2001 that requires an officer who signs the payment voucher to

certify accuracy of information including but not limited to that; the persons named in the voucher are those entitled to receive payment. This raised the risk of misuse of the pertinent public funds since I could not ascertain whether the funds were paid to the actual beneficiaries.

- c) At the time of my audit in August, 2021, I noted that MNRT has not finalized review of regulations pertaining to live animal trade since the date of trade suspension on 17 March 2016. It is therefore, unknown for how long this suspension will prevail because the suspension does potentially lead to the loss of revenue from the sale of live animals.

I recommend, to the Accounting Officer of the Ministry of Tourism and Natural Resources to liaise with Ministry of Finance and Planning such that the paid amount of 75% (TZS 103.50 million) of proceeds collected from sale of live animals is refunded. Also, ensure there is compliance with Public Finance Regulations such that proper documentations are in place when making payments. In addition, expedite the review of the regulations such that the suspension with regard to the sale of live animals is uplifted.

6.14 Reimbursable Expenses Incurred and Claimed without Approval from Ministry of Communication and Information Technology USD 258,661 (TZS 591,685,744.2)

On 12 March 2021, the Ministry of Communication and Information Technology signed a management contract with Tanzania Telecommunications Corporation (TTCL) to apply retrospective from 2010; for management and operation of the National Information Communication Technology Broadband Backbone (NICTBB). From the signed contract “Reimbursable” shall mean costs that originate from performance and operations of the NICTBB which includes but not limited to tools and equipment, repairs, utilities and spare parts.

Clause 8.8 of the Contract also provides that “all reimbursable costs shall be paid back by the Ministry upon submission of evidences of all costs consumed during the year. Prior approval of reimbursable costs shall be sought by Manager to the Ministry unless for expenses incurred during emergency repairs which shall be reviewed by the Ministry after expenditure”. Also, Clause 9.1 (V) of the Management Contract requires the manager while preparing the budget to include an itemized estimate of all reimbursable costs to be incurred.

My audit noted that a total of USD 258,661 which is equivalent to TZS 591,685,744.2 was presented in the NICTBB financial statements as maintenance (reimbursable) costs to be paid by Ministry of Communication and Information Technology to the Director General (TTCL). However, I was neither provided by the Ministry with evidence that reimbursable costs were approved by the Ministry as per contract nor evidence that the costs were due to emergencies for review.

I am of the view that there is inadequate adherence to the terms of the contract by the Director General-TTCL and unsatisfactory record keeping. This could amount to breach of terms of the contract and bring about dispute upon settlement of the amount due, hence difficulties in implementation of the contractual obligations.

I recommend to the Director General (TTCL) to communicate a detailed description of what constitutes the reimbursable for review and approval by the Ministry as per contract. Upon review and verification of the reimbursable, Ministry is advised to reimburse the amount to the Manager without further delay.



CHAPTER SEVEN

HUMAN RESOURCES, PAYROLL MANAGEMENT AND TERMINAL BENEFITS

7.0 Introduction

This chapter presents findings raised during the Human Resources and Payroll Management audit. The audit reviewed the effectiveness of Human Resources and Payroll management of Central Government entities, including MDAs, Other Institutions, and Regional Secretariats.

Due to crucial role of Human Resources and Payroll Management in contributing to Government's success in its operations and improving employees' performance, I have highlighted the areas which need Government's improvement and attention:

7.1 Shortage of Public Servants in Central Government Entities

Order D.7 and D.8 (1) and (4) of Public Service Standing Orders, 2009, prescribe the role of the Recruitment Secretariat in filling the Vacancies occurring in the Public Service and the general procedures followed in the recruitment process. In addition, Government entities are required to prepare staff establishments to identify staff shortage by comparing the number of staff available against the requirements.

Contrary to above requirement, my review of staff establishments noted the shortage of 33,145 staff in 53 Ministries, Departments, Agencies and Regional Secretariats which is equivalent to 58% of the required staff level of 57,327 as summarised in **Table 43** below and more detailed in **Appendix XXIV**. The same issue was reported in my previous report for the financial year 2019/20 when there was a shortage of staff of 7889.

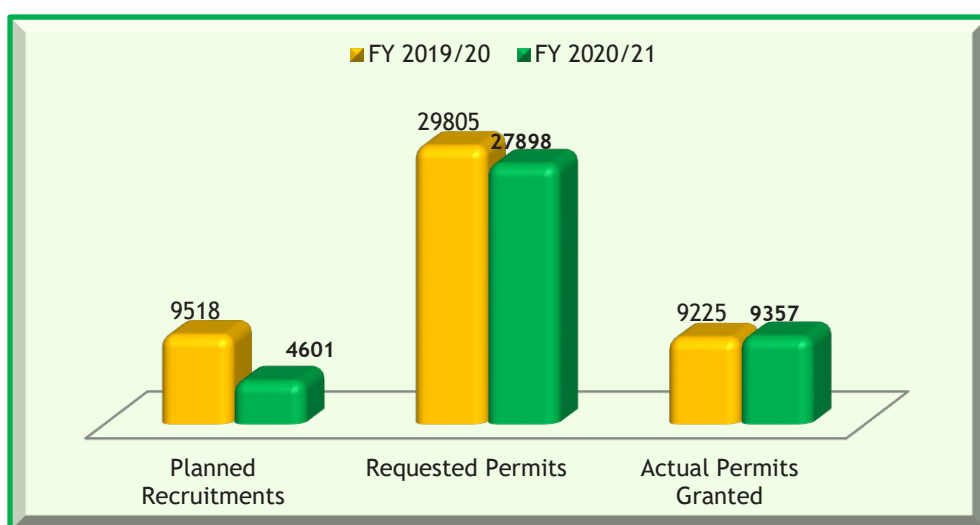
Table 43: Shortage of Public Servants in Central Government Entities

SN	Entities Description	Number of Entities	Required Staffs	Available Staffs	Shortage
1.	Ministries and Departments	9	44,091	17,999	26,092
2.	Agencies	3	508	283	225
3.	Other Institutions	39	12,373	5,721	6,652
4.	Regional Secretariats	2	341	165	176
Total		53	57,313	24,168	33,145

Source: Management letters 2020/21

My review noted that continuous staff shortage in the Central Government Entities is due to inadequate release of employment permits issued by PO PSMGG, as evidenced by a review of PO PSMGG's status of new recruitments as of 30 June 2021. The status shows that the Government had planned to recruit 4,601 staff for the financial year 2020/21, and Government Institutions requested 27,898 permits. However, the permits granted were 9,357. As shown in the **Figure 24** below, the trend of two years analysis shows a very slight improvement in permits granted by PO PSMGG.

Figure 24: Trend Analysis of Approved Recruitment, Requested Recruitments and Actual Permits Released by the Government



Source: Data received from PO-PSM on staff manning levels

From this scrutiny, I have noticed that PO PSMGG did not adequately address the issue of staff shortage by granting adequate recruitment permits to the Central Government Entities as there is a notable slow pace in filling the vacancies. The problem is persisting hence affecting the overall performance of the entities against the goals set.

Therefore, I reiterate my recommendation that, the government through PO PSMGG, puts more emphasis on assessing the human capital requirement in the operation of Government Institutions. This will address the continuing issue of staff shortage by filling the staff gaps noted in Government Entities.

7.2 Inadequate Utilization of Human Capital Management Information System (HCMIS).

The Government, through PO PSMGG introduced Human Capital Management Information System (HCMIS) in May 2020 by integrating all other subsystems which were used by Government entities in Human Resources and Payroll Management. The reason was to run a more efficient and effective system that curbed recurring challenges and inadequacy of previously human resources and payroll management systems.

During my audit, I noted recurring challenges in various entities despite the newly established system. Examples of the challenges are; payment of net salary below one-third of the basic salary, delay in transfer information of employees transferred from one office to another, and duplication of employees' information, which could result into double payment of salaries. Below is the **Table 44** showing in detail the entities with noted inadequacies.

Table 44: Recurring Challenges noted despite Introduction of HCMIS

SN	Challenges Noted	Name of the Entity
1.	Failure to process human resource reports such as OPRAS reports and Staff leave reports	Water Institute
		Tanzania Automotive Technology Centre (TATC)
2.	Failure to keep a database on employees' attachments filled in the system	Water Institute
3.	Failure to transfer information of 89 transferred staff from One Institution to the other	Ministry of Natural Resources and Tourism -Vote 69
		Songea Regional Referral Hospital
		Ministry of Health, Community Development, Gender, Elderly and Children-Vote 53
4.	I noted uncleaned data related to confirmation of eight employees where by seven employees were having the same hire and confirmation date and one employee with check number 110702504 having confirmation date of 07/02/2103 which is the wrong information.	Ministry of Education, Science and Technology -Vote 46
5.	Payment of Net Salary Below One Third of the Basic Salary	Tanga Regional Secretariat-Vote 86
		Ministry of Health, Community Development, Gender, Elderly and Children-Vote 52
		Tanzania Institute of Accountancy (TIA)

Source: Management Letters.

These anomalies are attributed to lack of adequate training to human resources officers, ineffective planning and use of the system. The inadequacies result to underutilisation of the system hence the intended objective of the new HCMIS and value for money cannot be achieved.

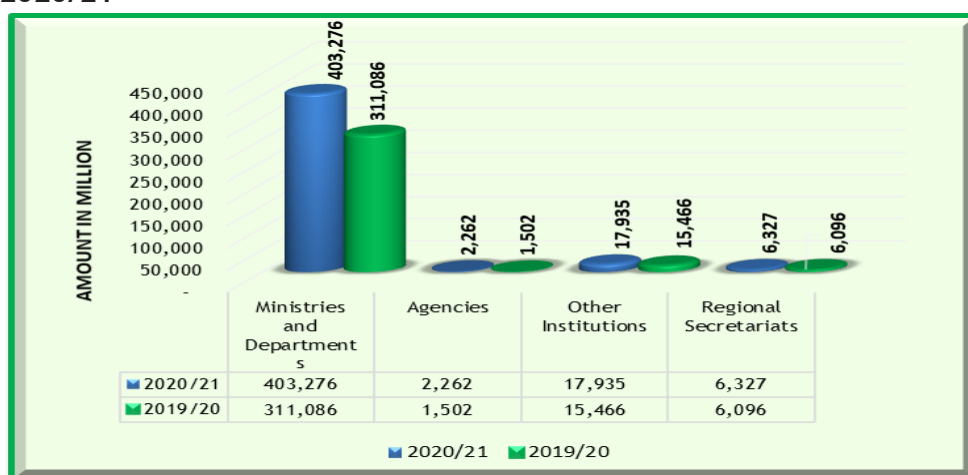
I therefore recommend for PO PSMGG to ensure adequate training to all Human Resources Officers on the use of the system. In addition, PO-PSM GG addresses the deficiencies noted in the new HCMIS to enhance value for money and achieve the system's objectives.

7.3 Inadequate Payment of Salary arrears, allowances and Other Employees Benefits Claims TZS 429.80 billion

Order E. 23 of the Standing Orders for Public Service, 2009 on arrears of salary, allowances, and other benefits stipulates that staff claims should be paid whenever they arise.

However, an assessment made on payment of claims from a sample of Government entities with claims above TZS 100 million found continuous pilling up of staff salary arrears resulting from promotions and new recruitments and other employee benefits claims. For the year under review, claims were TZS 429.80 billion compared to previous years, which were TZS 334.15 billion as shown in **Appendix XXV**. This shows an increase in claims by 29%. **Figure 25** shows the comparison current versus previous years' claims status.

Figure 25: Analysis of Staff Claims for the Financial Year 2019/20 and 2020/21



Source: Financial Statements 2020/2021

The claims are rising due to an inadequate funds set aside by the Ministry of Finance and Planning (Treasury) to settle claims arising from the expected promotions, first appointments and staff entitlements, such as acting and subsistence allowances.

Non-payment of staff claims could demoralize them and affect their performance in rendering satisfactory service to the public and achieving the Government's targeted goals.

I recommend, the Ministry of Finance and Planning, PO PSMGG and Accounting Officers to ensure that Government Institutions' staff claims are verified and paid on time.

7.4 Non-Remittance of Statutory Deductions to Relevant Funds and Institutions TZS 391.68 million

Section 18 and 19 of the Public Service Social Security Fund Act, 2018 prescribes that the employer's responsibility is to contribute to the Fund at 20% of the employee's monthly salary. Failure to remit on time could result in a penalty equal to half percent of the amount that the employer has failed to remit as required by the Act. Similar to Section 8 of the National Health Insurance Fund of 1999 and Section 84(1) of Income Tax Act 2004 RE 2008, which insists on timely remittance of deductions.

My audit found that 15 entities did not remit statutory deductions amounting to TZS 391.68 million to PSSSF, NHIF, NSSF, TRA and HESLB as analysed in **Table 45**.

Table 45: Institutions with Late Remittance of Statutory Deductions

SN	Name of the Institution	Amount (TZS)
PSSSF (Non-Remittance of contribution employment terminal and other benefits)		
1	Ministry of Livestock and Fisheries -Vote 99	105,695,872.30
2	Agency for the Development of Educational Management (ADEM)	55,215,750.00
3	Amana Regional Referral Hospital	38,795,400.00
4	Dar Rapid Transit Agency (DART)	35,709,366.00
5	Pharmacy Council	19,846,550.00
6	Tunduru Water Supply and Sanitation Authority	5,270,000.00
7	National College of Tourism (NCT)	6,647,200.00
8	Katavi Regional Referral Hospital	3,582,000.00
9	Medical Council of Tanganyika (MCT)	1,710,000.00
NHIF (Non-Remittance of Health Benefits)		
10	Amana Regional Referral Hospital	5,819,310.00

SN	Name of the Institution	Amount (TZS)
11	National College of Tourism (NCT)	4,025,970.00
12	Medical Council of Tanganyika (MCT)	648,000.00
TRA (Non-Remittance of Pay as You Earn)		
13	Medical Council of Tanganyika (MCT)	1,731,600.00
HESLB (Remittance of Higher Education Students Loans)		
14	Local Government Training Institute (LGTI)	90,233,100.00
NSSF (Non-Remittance of Contribution of Terminal and Other Benefits)		
15	Tunduru Water Supply and Sanitation Authority	16,750,000.00
Total		391,680,118.30

Source: Management letters 2020/21

It is my view that there is inadequate mechanism to ensure that deductions are remitted to respective Funds and Institutions. Non remittance of statutory deductions may adversely affect employees' rights in enjoying the benefits offered by the Funds and could result in penalty enforcement to the respective entities as evidenced during my audit where by nine entities were enforced to pay penalty of TZS 491.51 million for delays and non - remittance of deductions as more detailed in Chapter six of this report. **Table 46** shows the entities with the noted anomaly.

Table 46: Penalties Paid for Late Remittance of Statutory Deductions

SN	Entity	Amount (TZS)
1.	Ministry of Water -Vote 49	441,785,757.95
2.	Dodoma Regional Secretariat -Vote 72	10,318,180.00
3.	Local Government Training Institute (LGTI)	8,913,310.00
4.	Office of Vice President-Vote 20	7,348,732.00
5.	Ministry of Industry and Trade-Vote 44	6,038,268.00
6.	Ministry of Livestock and Fisheries-Vote 99	5,571,055.32
7.	Fisheries Education and Training Agency (FETA)	5,540,120.47
8.	Kilimanjaro Regional Secretariat -Vote 75	3,577,663.00
9.	Mwanza Regional Secretariat -Vote 81	2,413,516.00
Total		491,506,602.74

Source: Management Letters 2020/21

I recommend to the Accounting Officers in their jurisdictions to ensure that statutory deductions are remitted to respective Funds and other Institutions.

7.5 Payments of Salaries without Employment Contracts Signed TZS 348.49 million

Order D.33 (1) of Public Standing Order, 2009, a candidate appointed to a pensionable post in the public service or to a non-pensionable post must enter into a contract (on gratuity terms) that specifies the employment terms.

Contrary to the above order, I noted four entities that paid TZS 348.49 million to temporary employees without having valid contracts between the organisations and them. Management oversight on timely preparation of contracts attributes to this deficiency. Details of payments are shown in Table 47.

Table 47: Salaries Paid Without Contracts

SN	Name of the Entity	Number of employees	Amount (TZS)
1.	Ministry of Health, Community, Development, Gender, Elderly and Children	5	162,942,000
2.	SUMAJKT Catering Co Ltd	38	105,487,928
3.	SUMA JKT Cleaning and Fumigation Company Limited	57	47,200,000
4.	Commission for Mediation and Arbitration (CMA)-Vote 15	18	32,860,000
Total			348,489,928

Source: Management letters 2020/21

My view is that the respective entities may face a risk of penalties and reputational damage in case of arising dispute. In absence of binding contracts, management might have no legal basis to make disciplinary actions against the officers in case of malpractice, also, fail to monitor the performance of temporary employees.

I recommend, the Accounting Officers to ensure that binding contracts are prepared before effecting the payments of salaries to temporary employees.

7.6 Public Servants Serving in Acting Capacity for More than Six Months

Order D .24 (3) of Standing Orders for the Public Service, 2009 requires a public servant not to act in a vacant post for a period exceeding six months and that the appointing authority has to ensure the process for appointing a substantive holder of the respective post is completed within the required period.

However, my audit found 317 public servants in 41 entities acted in various positions for a period of six to 130 months. Compared to my previous report, the number of acting staff has decreased by 67 staff, which indicates a slight improvement in this area. Refer the Table 48 below and more detailed Appendix XXVI.

Table 48: Entities with Staff Acting for more than Six Months

Entity Description	Number of entities	Number of Acting Staffs
Ministries and Departments	11	57
Agencies	13	175
Other Institutions	16	81
Regional Secretariats	1	4
Total	41	317

Source: Management letters 2020/21

I attribute this to PO PSMGG failure to appoint and confirm the respective public servants in the substantive posts, which leads to demotivation, loss of accountability and lack of confidence in making strategic decisions. Consequently, it portrays lousy governance on the part of the Government.

Therefore, I recommend for PO PSMGG to make decision in time, attend to the request of Government entities and speed up the appointment and confirmation of public servants on the substantive posts.

7.7 Inadequate Performance Evaluation of Staff

Regulation 22 (1) of the Public Service Regulations, 2003 requires every organisation within the Public Service to establish an Open Performance Review and Appraisal System (OPRAS) for all its public servants. Also, this requirement is emphasized by Order D.62 of the Public Service Standing Orders, 2009.

My audit found that nine public entities did not conduct performance evaluation. Further, others inadequately filled the OPRAS forms by filling some sections and leaving other sections unfilled and forms without supervisors' recommendations and signatures. The noted anomaly was caused by inadequate monitoring on performing and assessing the achievement of targeted objectives. Refer **Table 49** below

Table 49: Entities with Inadequately Performance of Staff Evaluation

SN	Institutions
1.	SUMA JKT Cleaning and Fumigation Company Limited
2.	RUWASA DS
3.	Petroleum Bulk Procurement Agency (PBPA)
4.	Town Planners Registration Board (TPRB)
5.	Mwananyamala Regional Referral Hospital
6.	Tanzania Film Board (TFB)
7.	Tanzania Livestock Research Institute (TARILI)
8.	Tanzania Roads Agency (TANROADS)
9.	Pwani Regional Secretariat-Vote 71

Source: Management letters 2020/21

I am concerned with this issue as it affects the Government Institutions in evaluating the performance of public servants, which is essential as it helps assess staff who are due for promotions, rewards, demotion, or sanctions.

I recommend that Accounting Officers should ensure adequate assessments and evaluations of staff to measure their performance and act accordingly based on the results obtained from the assessment.

7.8 Anomalies in Preparation and Implementation of Training Programs

Order G 1 (7) of Standing Orders for the Public Service, 2009, states that all organisations must draw specific in-service training programmes based on their identified training needs. Every organisation shall make sufficient financial provision for training purposes in the annual budget.

During my audit review, I noted entities that did not prepare training programs and payments made out of the training programs as elaborated in detail below:

a) Non-Preparation of Training Programs

Contrary to the mentioned order above, I noted that seven entities did not prepare the training programs despite its importance in planning when, who, and what to train to improve employees' performance and productivity. Table 50 below shows the entities which did not prepare the training programs.

Table 50: Institutions which Did Not Prepare Training Programs

SN	Name of the Institution
1.	Prison Services Department (PSD)
2.	Tanzania Film Board (TFB)
3.	Business Registration and Licensing Agency (BRELA)
4.	Treasury-Vote 21
5.	National College of Tourism (NCT)
6.	Ministry of Finance and Planning -Vote 50
7.	Mirembe Hospital and Isanga Institution

Source: Management letters 2020/21

b) Payments Made Out of Training Programs TZS 228.29 million

I noted payments made by five Institutions amounting to TZS 228.29 million which out of the training programs prepared and some of entities provided training to staff which were not in the training program, contrary to the

order stipulated above. **Table 51** show the list of entities with such deficiency.

Table 51: Payments Made Out of Training Programs

SN	Entity	Amount (TZS)
1.	Tanzania Meteorological Authority (TMA)	171,299,100.00
2.	Ministry of Works and Transport (Transport)-Vote 62	21,459,800.00
3.	Business Registration and Licensing Agency (BRELA)	18,505,000.00
4.	Mawenzi Regional Referral Hospital	13,776,400.00
5.	Sokoine-Lindi Regional Referral Hospital	3,250,000.00
Total		228,290,300.00

Source: Management letters 2020/21

In my view, insufficient funds set aside to prepare training programs and management oversight in adhering to training programs attributes to the anomaly.

My concern is that organisations may fail to upgrade their employees' capacity by acquiring the right knowledge and skills to enhance productivity and better performance. Also, training to unintended personnel leads to inappropriate utilisation of public funds.

I recommend the Accounting Officers ensure that the training programs are prepared, adequate funds are budgeted, and payments related to training activities emanate from training programs. Also, the Ministry of Finance and Planning to release enough funds to facilitate the training budgets.

7.9 Pre-audit of Terminal Benefits

Pre-audit of the terminal benefit is carried out by virtue of the provisions of Article 143(2) (a) of the Constitution of the United Republic of Tanzania, 1977 which requires the Controller and Auditor General to authorize the use of money paid out of the Consolidated Fund upon satisfaction that conditions stipulated in Article 136 of the Constitution have been complied with.

The purpose of pre-audit is to assess compliance with terminal benefit laws which include Public Service Retirement Benefits Act, Cap 371; the Local Authority Pension Fund Act, Cap 407; the Public Service Act, Cap 298 of 2002; the National Social Security Fund Act, Cap 50; the Public Service

Social Security Fund Act, Cap 427; the National Defence Act, Cap 439; Tanzania Intelligence Security Service Act, Cap 409; Social Security Regulatory Authority Act, Cap 135; the Government Employee Pension Fund (GEPF) Retirement Benefits Act, 2013, Political Service Retirement Benefits Act, 1999 and the Income Tax Act, Cap. 332 [R.E 2019].

Pre-audit is conducted to examine and ascertain the accuracy of terminal benefit payments to enable detection of anomalies such as incorrect service period, wrong applied salaries, wrong contributions, and incorrect computations before payments are made.

7.9.1 Pre-Audit Coverage

Pre-audit of terminal benefits covers public servants whose terminal benefits are paid out of the Consolidated Fund only. These terminal benefits include pension and gratuity for public servants with mixed service; military officers and men; intelligence officers, contract gratuity for political leaders, non-citizens; re-appointed retired officers; public servants whose their first appointment was after 45 years of age; and compassionate gratuity for non-pensionable public servants.

7.9.2 Performance Out-turn

The pre-audit commenced with 184 retirees' files brought forward from the financial year 2019/20 and 2,092 files were received during the year 2020/21 making a total of 2,276 files available for pre-audit. Out of 2,276 files, 1,880 (82.6%) files with terminal benefits claims totalling TZS 151.84 billion were approved for payment while 259 (11.4%) files were not resubmitted by respective Accounting Officers after being returned to them for corrections. The remaining balance of 137(0.6%) files were still under examination as at 30 June 2021 at the National Audit Office.

7.9.3 Results of pre-audit of terminal benefits files

During the pre-audit of terminal benefits files for the financial year 2020/21, I noted several issues that are explained hereunder.

(a) Wrong Computation of terminal benefits by employers

My review of 1,880 approved pension files noted that, 314 (16.7%) retirees' files were inaccurately computed in terms of service period, applied salaries, employer's contributions, and computation. However, the same were rectified and approved accordingly.

Out of 314 inaccurately computed terminal benefits files, 208 (66.2) files were overstated by TZS 489.67 million and 106 (33.8%) files were understated by TZS 274.15 million. The summary of the number of files and specific anomalies noted is shown in **Table 52**.

Table 52: Summary of terminal benefit files and anomalies noted

SN	Anomalies noted	Terminal benefits overstated		Terminal benefits understated	
		No. of files	Amount (TZS million)	No. of files	Amount (TZS million)
1	Incorrect Service Periods	98	284.52	80	182.36
2	Wrong applied Salaries	15	71.68	8	7.82
3	Wrong employer's contributions	95	133.47	16	60.17
4	Miscellaneous incorrect computations			2	23.80
	Total	208	489.67	106	274.15

Source: Pension/Gratuity papers and audit computations

I recommend that the Government devise a mechanism that will ensure terminal benefits files are properly computed before being submitted for pre-audit to ensure retirees are paid on time. This will further mitigate the risk of loss of government funds in case overstated claims will not be detected as well as safeguard retirees' interest of who would have been underpaid due to understated claims.

(b) Delay in preparation and submission of retiree's terminal benefits particulars

Reg. 89 of the Public Service Regulations, GN 168 of 2003 requires both employers and employees to keep employment records for reference purposes during the calculation of the employee's terminal benefits.

Also, Reg. 32(3) of the Public Service Regulations, 2003 read together with Order No. F.48 of the Standing Orders for Public Service, 2009 requires a public servant who is due to retire, to notify his intention in writing, to his appointing authority through normal channels, at least six months before the proposed date of cessation of duty.

During the year 2020/21, employers delayed preparing and submitting terminal benefit files of 571 retirees for pre-audit for the periods ranging from one year to 28 years. Late payment of terminal benefits to retirees affects the living standard of retirees as most of them depend on terminal benefits to meet their daily expenses. The summary of terminal benefits files and their extent of delays is shown in **Table 53**.

Table 53: Delays in preparation and submission of terminal benefits files

Extent of delay	Number of files
Up to 3 years	391
Up to 5 years	59
Up to 10 years	54
Up to 15 years	25
Up to 20 years	17
Up to 25 years	18
Up to 28 years	7
Total	571

Source: Pension/Gratuity and audit computations

I recommend the Government to ensure terminal benefits files are prepared and submitted to the Controller and Auditor General on time to avoid delay in processing terminal benefits of retirees.

(c) Queried files not returned for pre-audit

Pre-audit of terminal benefit files involves three criteria that are eligibility, completeness of the submitted documents, and accuracy of the computations, if any errors or anomalies are noted the file has to be sent back to employers for query clearance and return the responses within 21 days from the day of receipt as required by Reg. 86 (2) of the Public Audit Regulations GN No. 47 of 2009.

During the review of terminal benefit files, 40 files had errors/anomalies and were communicated to the employers. Also, 28 files of previous financial years were communicated to employers however were not returned to my office for verification up to the end of the financial year 30 June 2021 for a period ranging from three months to nine years as shown in **Table 54**. Several reminder letters were sent to the respective employers (accounting officers) without response. The excessive delay of resubmission of queried files affects the retirees' living standards.

Table 54: Queried files not returned for pre-audit clearance

SN	Extent of delay	Number of files
1	Up to 1 year	40
2	Above 1 to 3 years	26
3	Above 3 to 9 years	2
Total		68

Source: Pension/Gratuity papers and Audit computations

I recommend the Government to ensure pre-audit queries are attended with immediate effect or seek clarity from the Controller and Auditor General where needed. Also, the Government should hold responsible human resources officers who delay in processing and submission of pension files.

CHAPTER EIGHT

ASSETS AND LIABILITIES MANAGEMENT

8.0 Introduction

Assets and liabilities management aims at managing the use of assets to generate cash flows and reduce the government's risk of loss from not paying liabilities on time and reduce interests and penalties which may accrue. Well-managed assets and liabilities increases government performance.

Assets and Liabilities management is one of the most important areas in making sure that government objectives in all other areas are achieved effectively and efficiently without any overruns. Henceforth, the government has in place policies, procedures, guidelines, circulars and directives which are revised from time to time to enhance achievement of intended objectives and they are in line with the applicable accounting standards.

Regardless of all the controls, I observed several areas which requires management attention as explained below;

8.1 Asset Management

8.1.1 Abandoned Assets

Para 14 of Public Assets guidelines Revised Edition, 2019 requires every Accounting Officer to ensure that maintenance plan of an asset is prepared and adhered for the purpose of ensuring that assets remain useful for the intended purpose, service delivery and economically utilized to maximize benefit to the organization.

I found 60 abandoned Government buildings after being dilapidated and unfit for use from four entities includes two referral hospitals and two learning institutions. Compared to six entities reported in the financial year 2019/20. See details on **Appendix XXVII**.

I attribute the weakness to inadequate funds allocated in the annual budget for development activities and non-performance of regular maintenance of Government owned buildings. For public officers to deliver their services with utmost efficiencies, requires conducive working and residing

environment. Working under dilapidated buildings not only eliminates working morale, but also is unsafe for employees in the buildings.

I recommend the Government and responsible entities to rescue Government buildings from further deterioration by allocating adequate funds for maintenance.

8.1.2 Procured Assets not put in use

On the other hand, my audit found that six entities procured PPE items amounting to TZS 1.43 billion to facilitate implementation of their operational activities but up to the time of audit, the procured assets were not in use to realize value for money. See details on **Appendix XXVIII**.

In the financial year 2019/20, PPE worth TZS 1.08 billion were purchased and not put to use. There's an increase in assets purchased not used. Reg. 87(1)(h) of the Public Finance Regulations requires the purchased supplies to be taken on ledger charge and issued for immediate use. In other words, goods should be procured when the need arises and not otherwise.

Delays in using assets is indication that assets were procured without being needed, also procured assets may be outdated due to technological advancements if stayed too long after being bought without being used.

I recommend all assets to be procured after establishing the needs so as to ensure its usability including environmental consideration and applicable technology.

8.1.3 Grounded Government Motor Vehicles, Plants and Equipment

Reg.254 (1) and (2) of the Public Finance Regulations, 2001 requires that stores, vehicles, plant, or equipment which have reached the end of their useful lives or are beyond economical repair or are unserviceable for any other reason to be submitted by the Accounting Officer to the Accountant General the request for condemnation and disposal.

However, I found 47 entities having 489 PPE items mainly motor vehicles, motor cycles, plant and equipment which have been grounded for a long time without being serviced or disposed. I was informed that most of the un-serviced vehicles remained grounded due to non-allocation of funds to do major repair, long process of disposing government motor vehicles,

plants and equipment, delay in obtaining approval of condemnation from Accountant General.

In comparison with prior year (2019/20) the number of grounded PPE items for long time has decreased from 2,812 to 489 in the year under review, 16 being motor cycle and 473 motor vehicles, plants and equipment. See **Appendix XXIX** for details.

Delay in disposing off un-serviceable motor vehicles accelerate their deterioration and reduces proceeds that would have been realized if earlier disposal was considered.

It is my recommendation to the Government and responsible entities to ensure all motor vehicles, motor cycles, plants and equipment which have been grounded for a long time since they are un-economical and cannot be repaired/serviced to be disposed of without further delay so as to reduce high maintenance cost. Also, approval for condemnation or disposal be granted timely to avoid further deterioration of the assets that limit realization of considerable amount from the proceeds.

8.1.4 Failure to Insure Motor Vehicles

Section 86 of Road Traffic Act No. 11 of 2002 requires all users of motor vehicles or trailers to have at least third-party insurance. In addition, Para 24 of the Public Assets Management Guideline 2019, requires Government assets to be insured through a reputable insurance company concerning type, nature, value and risks involved, and the paragraph emphasizes that Accounting Officers to budget funds to cater for insurance premium in the event of accidents and related liabilities.

However, I found 11 motor vehicles from three entities which were yet to be insured as per requirement of Section 86 of the Road Traffic Act No. 11 of 2002. Details is as shown in **Table 55** below;

Table 55: Motor Vehicles not insured

SN	Entity	Registration Number
1	MAWENI RRH	DFP 4339
2		DFPA 7850
3	KATAVI RRH	DFPA 3273
4		DFPA 9571
5		DFPA 2441
6		DFPA 3124
7		DFPA 308

SN	Entity	Registration Number
8		DFPA 309
9		DFPA 3273
10		DFPA 3274
11		DFPA 3274

Sources: ML of audited entities

I recommend the Government and responsible entities to take cover of their motor vehicles as they are exposed to risk of accidents and other associated risks in compliance of Public Assets Management Guideline 2019.

8.1.5 Government Assets not Marked with Identification Numbers

Para 9 of the Government Assets Management Guidelines revised edition 2019 requires every acquired asset to be identified by unique identification code/number. The identification will depend on nature of a particular asset class. For example, motorized assets to use registration number, land to use plot number, while furniture and equipment shall use bar code. Other asset classes each shall be identified according to the agreed and acceptable standards of identification.

Contrary to the guidelines, I found that 20 entities including one Vote, three Agencies, eight Other Institutions, five RRH, one embassy and two Regional Secretariats having 1,822 PPE items which were yet to be coded with identification numbers. Table 56 below details.

Table 56: Failure to Inscribe Government Assets

SN	Entity	Amount (TZS)	No of Assets not coded	PPE Category
1	VT 59 Law Reform Commission	112,501,703	49	ICT
2	Tanzania Electrical and Mechanical and Electronics Services Agency	Value not recorded	242	ICT and Furniture
3	Commission for Mediation and Arbitration	69,030,000	45	ICT equipment
4	Business Registrations and Licensing Agency	267,090,951.70	95	ICT and Furniture
5	VT 35 National Prosecutions Services	19,313,586	23	ICT and Furniture
6	Nelson Mandela	Value not recorded	32	ICT and Furniture
7	SUMA JKT Cleaning and Fumigation Services	17,650,000	40	Office equipment

SN	Entity	Amount (TZS)	No of Assets not coded	PPE Category
8	Tanzania Police Force Corporation Sole	15,341,380	20	Office furniture
9	Forest Industries Training Institute	Value not recorded	171	Office furniture and Equipment
10	Tanzania Public Service College	Value not recorded	200	ICT and Furniture
11	Medical Council of Tanganyika	275,399,256	73	ICT and Furniture
12	Tengeru Institute of Community Development	8,668,420	18	Hospital equipment
13	Tumbi RRH	70,474,190	56	ICT and Furniture
14	Benjamin Mkapa Hospital	86,340,000	44	ICT and Furniture
15	BUKOBA RRH	3,990,000	10	Office furniture
16	GEITA RRH	147,622,800	26	Hospital equipment
17	MAWENI RRH	197,463,500.00	28	Office furniture and Equipment
18	SONGWE RS	134,756,000	536	Office furniture
19	GEITA RS	10,380,000	7	ICT equipment
20	Constituencies Development Catalyst Fund (CDC-) - Zanzibar	16,000,000	2	Water wells, two towers and four tanks
	Total	1,452,021,787	1717	

Sources: ML of audited entities

Failure to inscribe government assets were mainly attributed to inadequate performance of Head of Procurement Management Unit. However, it implies that assets not being coded with unique identification numbers creates chances of assets misappropriation without being detected by the management, as well as difficult in monitoring its movements.

I recommend the respective entities to ensure that all existing and newly procured assets are coded without further delay to prevent misappropriations of those assets and for controlling purposes.

8.1.6 Failure to Secure Certificates of Right of Occupancy for Government Owned Plots

Permanent Secretary - Ministry of Lands, Housing and Human Settlements Developments through a letter with reference number AB 225/305/01 of 7 September, 2016 instructed all Government entities to ensure land survey is conducted for Government owned land using either public or private

surveyors who are registered by the Ministry of Land so as to obtain Certificates of Right of Occupancy.

In addition, Chief Secretary and Treasury Registrar letters with reference number CAB142/626/01/A/42 of 26/09/2014 and CNA.32/572/01/96, respectively issued directives on acquisition of Certificates of Right of Occupancy to plots owned by the Government.

However, I noticed that 32 entities including nine Votes (Ministries Commissions and Departments), four Agencies, seven Other Institutions, eight RRHs, two Water Authorities and two Regional Secretariats were having plots without Certificates of Occupancy contrary to above directives. See **Table 57** .

Table 57: Failure to Secure Title Deeds

SN	Entity	Amount (TZS)	SN	Entity	Amount (TZS)
1	VT 35 National Prosecutions Services	101,541,990	18	Mount Meru RRH	38,291,794,704
2	VT 37 Prime Minister's Office	10,886,600,000	19	Chato Zonal Hospital	Not valued
3	VT 44 Ministry of Industry and Trade	Not valued	20	MAWENZI RRH	16,413,000,000
4	VT 55 Commission for Human Rights and Good Governance	Not valued	21	MAWENI RRH	500,000,000
5	VT 69 Ministry of Natural Resources and Tourism	Not valued	22	Mirembe Hospital	Not valued
6	VT49 Ministry of Water	6,845,000,000	23	Handeni Water Supply and Sanitation Authority	770,155,500
7	VT 91 Drugs Control and Enforcement Authority	Not valued	24	Sengerema Urban Water and Sanitation Authority	Not valued
8	VT 60 Ministry of Industry and Trade	Not valued	25	KIGOMA Regional Secretariat	1,582,370,946
9	VT 23 Accountant General	Not valued	26	TANGA Regional Secretariat	Not valued

SN	Entity	Amount (TZS)	SN	Entity	Amount (TZS)
10	Geological Survey of Tanzania	4,780,000,000	27	TANROADS	Not valued
11	Mining Commission	618,716,266	28	Agricultural Seed Agency	1,917,505,000
12	National College of Tourism	261,203,000	29	Taasisi ya Sanaa na Utamaduni Bagamoyo	8,719,960,000
13	Forest Industries Training Institute	Not valued	30	Tanzania Rural and Urban Roads Agency	5,856,000.00
14	Medical Council of Tanganyika	Not valued	31	Kibongoto Hospital	410,000,000
15	Government Chemist Laboratory Authority	Not valued	32	SUMAJKT Chang'ombe Furniture Company Limited	360,000,000
16	Amana Hospital	3,614,949,475			
17	Songea RRH	Not valued			

Sources: ML of audited entities

The number of government entities not having Certificates of Right of Occupancy for their plots have increased from 22 (2019/20) to 32 entities (2020/21). I attribute lack of Certificates of Right of Occupancy for government owned plots to inadequate management follow up to the Commissioner of Land.

In the absence of Certificates of Right of Occupancy for government owned plots creates chances of losing those plots in case disputes arises.

I recommend, all Accounting Officers to make follow up to the Commissioner of Land so as to secure Certificates of Right of Occupancy for their plots as proof of ownership.

8.1.7 Government Plots not Developed

I further found plots not developed from two entities. See **Table 58** for details.

Table 58: Government Plots not Developed

SN	Entity	Details
1	Sumbawanga Regional	Two plots of 100 acres that worth TZS. 62,500,000 that was purchased by the Regional Secretariat, was then

SN	Entity	Details
	Referral Hospital	transferred on 1 st July 2018 to Sumbawanga RRH for the purpose of construction of a new referral hospital
2	Water Institute	Two plots at Tabata area and Kibangu Makuburi in Dar es Salaam.

Above plots not developed is representative of many other not reported in this report but exists. Since to develop a plot requires huge amount of money, it is my call the Government to start slowly allocating funds for development of the same. MDAs/RRHs/Other Entities with plots not developed should come with plans and cost projections to develop those plots which is implementable and start soliciting funds.

8.1.8 Failure to Maintain Updated Asset Register

Para 6.2 (ii) of the Public Assets Management Guideline, 2019, states that “the Accounting Officer is the custodian of all public assets on behalf of the Paymaster General in a particular vote, and is required to maintain both hard and soft copy of an asset register to facilitate verification of assets and related information”.

Para 12 of the Public Assets Management Guidelines, 2019 requires an asset register to be maintained within the centralized system established by the Paymaster General and to comply with the requirements of International Standards and Generally Accepted Accounting Practices further the established assets register to have information depending on the nature of an asset and each asset class or similar classes to have own register and format.

At the time of audit, I found that 28 entities including seven Votes (Ministries Commissions and Departments) two Agencies, nine Other Institutions, five RRH, three Water Authorities and two Regional Secretariats which were yet to establish the asset register for their assets contrary to Public Assets Management Guidelines, 2019. See **Table 59**.

Table 59: Failure to Maintain Updated Asset Register

SN	Entity	SN	Entity	SN	Entity
1	Fisheries Education and Training Agency	11	Tanzania Official Seed Certification Institute	21	Tumbi RRH
2	Government Procurement and Supplies Authority	12	Tanzania Public Service College	22	Chato Zonal Hospital

SN	Entity	SN	Entity	SN	Entity
3	Prime Minister's Office VT25	13	Medical Council of Tanganyika	23	Bukoba RRH
4	VT 24 Tanzania Cooperative Development Commission	14	Government Chemist Laboratory Authority	24	Sengerema Urban Water and Sanitation Authority
5	VT 64 Ministry of Livestock and Fisheries	15	Information and Communication Technologies Commission	25	Tunduma Water Supply and Sanitation Authority
6	VT 99 Ministry of Livestock and Fisheries	16	Kawawa Secondary School	26	Tunduru Water Supply and Sanitation Authority
7	SV 2041 DOHA	17	Nelson Mandela	27	Tanga Regional Secretariat
8	VT 52 Ministry of Health	18	Town Planners Registration Board	28	Simiyu Regional Secretariat
9	VT 50 Ministry of Finance and Planning	19	Singida RRH		
10	Local Government Training Institute	20	Musoma RRH		

Source: ML of audited entities

In comparison with the previous year (2019/20), the situation has not improved because the number of entities not maintaining assets register has increased from 27 to 28. Absence of Assets Registers limits management to get accurate information of assets timely such as the status of the assets, procurement date, location, price, depreciation, and the current value of each asset.

I recommend, all Accounting Officers to properly manage public assets by making sure that asset registers take on board all relevant information in line with the Government Assets Guideline of 2019; and maintain, updated assets registers.

8.1.9 Lack of Asset Maintenance Plan and Records

Regulation 137 (4) (a) of the Public Procurement Regulations of 2013 revised 2016 requires every procuring entity to maintain a record of maintenance, repairs and replacement of each motor vehicle, piece of Plant and equipment, maintenance, repair and installation of electrical, air conditioning and refrigeration, and electronics services for inspection by the ministry responsible for electrical, machinery and mechanical engineering, the Controller and Auditor General, the Authority and the agency responsible for maintenance and repair of government-owned motor vehicles, plant and equipment.

In addition, Para 14 of the Government Assets Management Guidelines revised edition 2019 requires every Accounting Officer to ensure that maintenance plan of an asset is prepared and adhered. The objective of the maintenance plan is to ensure that assets remain useful for the intended purpose, service delivery and economically utilized to maximize benefit to the organization.

Contrary to the Guidelines and Regulation cited above, I noticed that 36 entities did not prepare Assets Maintenance Plan and had no records for repair and maintenance as shown in the **Table 60** below.

Table 60: Lack of Asset Maintenance Plan and Records

SN	ENTITY	Details
1	TANROADS	Non preparation of maintenance plan
2	Kawawa Secondary School	Non preparation of maintenance plan
3	VT 39 National Service	Non preparation of maintenance plan
4	VT 93 Immigration Department	Non preparation of maintenance plan
5	National Identification Authority	Non preparation of maintenance plan
6	SUMA JKT Agri Machinery	Non preparation of maintenance plan
7	Tanzania Automotive Technology Centre	Non preparation of maintenance plan
8	Eastern Africa Statistical Training Centre (EASTC)	Non preparation of maintenance plan
9	Mzinga Holding Company LTD	Non preparation of maintenance plan
10	Government Chemist Laboratory Authority	Non preparation of maintenance plan
11	Private Health Laboratories Board	Non preparation of maintenance plan
12	Mirembe Hospital	Non preparation of maintenance plan
13	ARUSHA Regional Secretariat	Non preparation of maintenance plan
14	VT 35 National Prosecutions Services	Non preparation of maintenance plan
15	VT 52 Ministry of Health	Non preparation of maintenance plan
16	Commission for Mediation and Arbitration	Repair and Maintenance Records missing
17	UNESCO National Commission	Repair and Maintenance Records missing
18	Tanzania National Road Agency	Repair and Maintenance Records missing
19	VT 62 Ministry of Work and Transport	Repair and Maintenance Records missing
20	VT 91 Drugs Combat and Enforcement Authority	Repair and Maintenance Records missing
21	VT 51 Ministry of Home Affairs	Repair and Maintenance Records missing
22	VT 52 Ministry of Health	Repair and Maintenance Records missing
23	Southern Agricultural Growth Corridor of Tanzania	Repair and Maintenance Records missing
24	Tanzania Film Board	Repair and Maintenance Records missing
25	SUMA JKT Construction Company LTD	Repair and Maintenance Records missing
26	SUMA JKT Agri Machinery	Repair and Maintenance Records missing
27	Private Health Advisory Board	Repair and Maintenance Records missing
28	Tanzania Institute of Accountancy	Repair and Maintenance Records missing

SN	ENTITY	Details
29	Rural Water Supply and Sanitation Agency	Repair and Maintenance Records missing
30	Agency for the Development of Educational Management	Repair and Maintenance Records missing
31	Songwe Regional Referral Hospital	Non preparation of maintenance plan
32	Suma JKT Garments LTD	Non preparation of maintenance plan
33	Suma JKT Bottling Co. LTD	Non preparation of maintenance plan
34	Songwe Regional Referral Hospital	Repair and Maintenance Records missing
35	Suma JKT Garments LTD	Repair and Maintenance Records missing
36	Suma JKT Bottling Co. LTD	Repair and Maintenance Records missing

Source: ML of audited entities

In my view the absence of assets maintenance plan as well as failure to maintain records for repair and maintenance is inadequate management of assets which has negative effects on operations of entities.

I recommend that Ministries, Departments, Agencies, Regional Secretariats and Other Institutes should have assets maintenance plan and ensure that repairs and maintenance records are maintained.

8.1.10 Failure to Review the Residual Value and Useful Lives of Assets

Para 12.1 (ii) and (iii) of the Public Assets Management Guideline, 2019, requires assets to be subjected to annual review to determine their remaining economic life. For the case where an asset has been fully depreciated and is still being used by the public entity, the Accounting Officer shall advise the Paymaster General on the revised useful life to the respective asset.

In addition, Para 67 of IPSAS 17 requires the residual value and the useful life of an asset to be reviewed at least at each annual reporting date, and, if expectations differ from previous estimates, the change to be accounted for as a change in an accounting estimate in accordance with IPSAS 3.

I found 12 entities whose residual value and the useful lives of their assets at the reporting date were not reviewed contrary to above Guideline and Standards, resulted into significant number of assets having zero Net Book Values but still in use.

The number of entities whose residual value and the useful lives of their assets were not reviewed has increased from seven entities (2019/20) to 14 (2020/21). **Table 61** below details.

Table 61: Entities Failed to Review Asset Useful Lives

SN	Entity
1	VT 55 Commission for Human Rights and Good Governance
2	VT49 Ministry of Water
3	VT 38 Tanzania People's Defense Force
4	VT 91 Drug Control and Enforcement Authority
5	VT 52 Ministry of Health
6	Lake Victoria Basin Water Board
7	Maweni Regional Referral Hospital
8	Business Registrations and Licensing Agency
9	Rural Energy Authority
10	Government Procurement Services Agency
11	Private Health Laboratories Board
12	Ifakara Urban Water Supply and Sanitation Authority

Source: ML of audited entities

Failure to review residual value and useful life of an asset at least annually not only constitutes non-compliance with the requirement of Para 67 of IPSAS 17, also might lead to misstatement of the financial statements.

I recommend that Ministries, Departments, Agencies, Regional Hospitals and Regional Secretariats adhere to the requirements of para 67 IPSAS 17 and para 12.1 (ii) of the Public Assets Management Guideline, 2019.

8.2 Management of Receivables and Payables

An effective management of accounts receivable and payable helps prevent overdue payment. It is therefore a quick and effective way to strengthen liquidity position. The objective includes cash flow improvements, reduce possibility of losses incurred due to fines/penalties and interests, boost up provision of services and improves client's satisfaction.

8.2.1 Long Outstanding Receivables

As at 30 June 2021 Ministries, Departments, Agencies, Regional Secretariats and Regional Referral Hospitals were having receivables amounting to TZS 887.69 billion a decrease of TZS 145.16 billion from TZS 1.03 trillion (2019/20) of which long outstanding receivables amounted to TZS 561.56 billion. The possibility of recoverability of these receivables is questionable since they have been over due for a period above one year. Also, entities having receivables due within 12 months amounted to TZS 326.12 billion which if not recovered timely will result into long outstanding which may have impact in its recoverability.

A slight decrease of receivables shows a positive trend towards its recoverability however, entities concerned should exert more efforts in

realizing these receivables without further delay. Entities with noticeable figures are as shown in **Table 62** making 79.35 percent of the total receivables.

Table 62: Entities with noticeable high values of overdue receivables

SN	Entity	Amount in TZS	Percentage
1	Tanzania National Roads Agency	219,274,488,000	24.70
2	Others	83,318,843,484	20.65
3	National Food Reserve Agency	168,100,809,457	18.94
4	Tanzania Building Agency	71,757,605,921	8.08
5	VT 48 Ministry of Land, Housing and Human Settlements	122,234,654,375	13.77
6	Tanzania Electrical Mechanical and Electronics Services	43,668,939,158	4.92
7	SUMA JKT Agri Machinery	39,984,899,000	4.50
8	Mzinga Corporation	14,300,604,300	1.61
9	National Identification Authority	12,986,302,000	1.46
10	Rural Water Supply and Sanitation Agency	12,063,198,475	1.36
	TOTAL	887,690,344,170	100

Source: ML of audited entities

I recommend MDAs, RS and Other Institutions to have in place strategies to ensure that uncollected revenues are collected timely. I further recommend the Accounting Officers with outstanding receivables to exert more effort in realizing those receivables before they become uncollectible and lead to loss of Government Revenue.

8.2.2 Long outstanding payables

Regulation 44 (1) of the Public Procurement Regulation, 2013 stipulates that 'for purposes of supporting the growth of local firms and enabling such firms to meet their contractual obligations, procuring entities shall ensure that timely payments are made to the tenderers.

As at 30 June 2021, Ministries, Departments, Agencies, Regional Secretariats and Regional Referral Hospitals have reported payables amounting to TZS 3.62 trillion while the previous year for the same period were having TZS 3.13 trillion an increase of TZS 490.28 billion (15.68%), of which TZS 2.46 trillion were long outstanding payables. The possibility of clearing these payables without incurring interests and penalties is questionable since they have been over due for a period above one year.

Payables due within 12 months amounted to TZS 1.15 trillion which if not dealt with timely may result into long outstanding which may have impact on the reputation of the government and suppliers' morale.

Increase in payables is attributed to insufficient budget allocation to these entities and delay in releasing funds by the Ministry of Finance and Planning. Respective entities are recommended to use little funds they have to settle some payables. Entities with noticeable figures are as shown in **Table 63** making 94.82% of the total receivables.

Table 63: Entities with noticeable high values of Overdue Payables

SN	Entity	Amount in TZS	Percentage
1	VT 57 Ministry of Defence and National Security	1,014,577,468,174.12	28.05
2	Tanzania National Road Agency	705,647,051,000.00	19.51
3	VT 28 Tanzania Police Force	641,797,491,164.00	17.75
4	VT 38 Tanzania People's Defence Force	314,527,052,326.04	8.70
5	VT 52 Ministry of Health	264,713,531,907.21	7.32
6	VT 98 Ministry of Works and Transport	183,772,306,880.03	5.08
7	Others	187,408,694,159.85	5.18
8	VT 29 Prison Service Department	80,177,921,020.86	2.22
9	Mzinga Corporation	51,386,085,089.95	1.42
10	Rural Water Supply and Sanitation Agency	40,631,879,031.00	1.12
11	Tanzania Rural and Urban Roads Authority	38,720,741,277.00	1.07
12	Tanzania Electrical Mechanical and Electronics Services	38,525,190,070.94	1.07
13	National Identification Authority	29,034,313,000.00	0.80
14	VT 39 National Service Force	25,806,657,298.56	0.71
	TOTAL	3,616,726,382,400	100

Source: ML of audited entities

Failure to meet obligations as they fall due has adversely impacted government reputational to contractors, suppliers and service providers, increases cost due to interest and penalties for late payments and budget overruns.

The challenge observed is due to the nature of government budget which mainly operates on cash basis while accounting for the same on accrual basis.

I therefore recommend, that the government release funds as per approved budget and timely to reduce accumulation of long outstanding payables which is coupled with interest and penalties while taking onboard the current payables by including the same in annual budgets.

CHAPTER NINE

PROCUREMENT AND CONTRACT MANAGEMENT

9.0 Introduction

The Government of Tanzania recognises the importance of good Public Procurement and Contract Management as a precondition to ensuring efficient, effective, and accountable use of public resources. In doing so, it has enacted the Public Procurement Act No.7 of 2011 (as amended 2016) and its Regulations of 2013 (as amended 2016) to provide a legal framework governing institutional setup and procurement processes in the public sector.

In fulfilling my statutory functions as enjoined in section 48 (3) of the aforementioned Act, I have included in this chapter an evaluation and examination of public procurement procedures and processes as well as compliance with procurement laws and regulations. The most significant observations resulting from my audit of the compliance with the Public Procurement Act and its Regulations are summarised as follows;

9.1 Procurement of Goods without Competitive Quotations TZS 3.59 Billion

Reg. 131(5) of the Public Procurement Regulations 2013 (As amended by Reg. 42 of the Public Procurement (Amendment Regulations) 2016 states that, “the procuring entity shall conduct mini competition on prices for items or services from at least three randomly selected tenderers awarded framework agreement and seek Tender Board approval before the issue of the local purchase order to the tenderer offering the lowest price within the prevailing market”.

I noted that 21 government entities, including five ministerial Votes (TZS 783 million), one Water Authority (TZS 26.57 million), one RRHs (TZS 66.07 million, three agencies (TZS 145.26 million, seven Regional Secretaries (1.88 billion) and other institution (TZS 694.91 million) procured goods and services from suppliers and service providers amounting to TZS. 3.59 billion without using competitive procurement method contrary to the above cited regulation. There is an increase of 14 entities in this financial year comparing to 2019/20 whereby seven entities were involved. The details of involved institutions are in **Appendix XXXI** of this report.

In this regard, I am of the view that violation of the procurement laws and regulations may lead to misuse of public funds. This practice denies the entities to enjoy the best economic prices.

I recommend MDAs management when undertaking procurements to (a) seek competitive quotations among the approved suppliers before payments are affected (b) comply with all procurement laws and regulations to obtain the value for money.

9.2 Procurements made out of TANePS TZS 77.62 billion

Reg. 342 of the Public Procurement Regulation 2013, requires procurement entities to implement e-procurement in the public procurement system. In addition, Circular No 4 of 2019 issued by the Ministry of Finance and Planning requires all procuring entities to use TANePS in the procurement of goods and services with effect from 1 January 2020. Therefore, the Government of Tanzania recently adopted and is now using the Tanzania National e-Procurement System (TANePs) effective from 2020/21 as per PPRA Public Notice.

During the year ended 30 June 2021, 16 MDAs including six votes (TZS 5.35 billion), two Agencies (TZS 69.12 billion), five regional secretariat (TZS 2.25 billion), two referral hospitals (TZS 883.55 million) and one Water Authority (TZS 13.76 million) procured goods and services worth TZS 77.62 billion without using TANePS system contrary to the above cited regulation. Details are shown in **Appendix XXXII** of this report. I notice an increase of 15 MDAs comparing to previous year 2019/20 whereby one ministry was reported to procure goods and services amounting to TZS 227.49 million out of TANePS.

I learnt that, in most entities, PMU staff were yet to be trained on the use of TANePS and the non-promptness of the system for uploading documents and advertisements.

I am of the view that, failure to use TANePs system in procurements, the objective of the Government to increase efficiency and reduce procurement time, reduce risks, and improve transparency and fairness in public procurement through using e-procurement may not be attained. It is also a non-compliance with Reg. 342 of the Public Procurement Regulations and Circular No 4 of 2019 issued by the Ministry of Finance and Planning.

I recommend MDAs and RS to maximize the use TANePS in their procurements as per the requirement of Regulation 342 (1) of the Public Procurement Regulation of 2013 and Circular No 4 of 2019 issued by the Ministry of Finance and Planning.

9.3 Delayed Completion of Construction Projects worth TZS 214.54 Billion across Government Institutions

From the review of projects implementation reports, and site visits conducted on respective areas in December 2021, I noted that 12 projects amounting to TZS 214.54 billion implemented by 12 Government institutions were significantly delayed to be completed for a period ranging from 6 to 96 months, as detailed in **Appendix XXXIV** of this report.

It also came to my attention that the delays had been attributed to various reasons including inadequate funding to complete the projects, whereby the contractors have been partly paid and other institutional specific reasons. However; in some instances, no indication has been given on how the implementing institutions is addressing this challenge.

In this regard, I am of the view that the delayed projects may affect the plans of the Government and might lead to cost overruns above the initial estimates due to increased prices of materials. On the other hand, the delay may also result in further deterioration of existing facilities before the new projects are used.

I recommend that the government through MDAs enhances effective project management by closely supervising contractors to ensure that projects are undertaken within the agreed timeline. On the other hand, the government should set aside adequate funds to complete delayed projects so as to achieve value for money on the dormant projects.

9.4 Micro Procurements were not Reported Monthly to Tender Board TZS 1.42 Billion

Regulation 166 (7) of the Public Procurement Regulations, 2013 requires all micro procurements to be reported to the Tender Board every month by the holder of delegated authority, using the appropriate procedural form issued by the authority.

However, I noted that 16 institutions made micro procurements amounting to TZS 1.42 Billion but did not report monthly to their respective Tender

Boards as per requirements of Regulation 166 (7) of the Public Procurement Regulations, 2013. These institutions include six Referral Hospital (TZS 607.48 million), six votes (TZS 606.15 million), one fund (TZS 27.08 million), one agency (TZS 69.55) and two other institutions (TZS 107.49 million) as detailed in **Appendix XXXIV** of this report.

In this regard, it has come to my attention that there is a misinterpretation of the Micro procurement provision of the PPR 2013 (Amended 2016) as an excuse to make procurement through imprest to avoid routine competitive procurement procedures.

I am of the view that the Tender Boards of respective MDAs, RS, Funds, and Authorities are limited to execute their functions as per the requirement of Reg. 166 (7) of the Public Procurement Regulations, 2013.

I recommend procuring entities report monthly all micro procurements to the Tender Board and identify the volume of procurements made during the respective month to enable monitoring and control of micro procurements across entities.

9.5 Abandoned Silo Complex Projects at National Food Reserve Agency (NFRA Zones) Worth TZS 76.16 Billion (USD 33.14)

On 22 December 2016, the Food Reserve Agency (NFRA) signed a contract agreement (AE/054/2015/2016/HQ/W/19) with M/s FERRUM SA for designing, supplying, construction, installation, testing, and commissioning of Silos complexes, warehouses, and rehabilitation of existing facilities in the selected sites at Songea, Makambako, Mbozi, Dodoma and Shinyanga at the contract value of USD 33.14 million equivalent to TZS 76.16 billion. The project was intended to be completed within 48 months (i.e. 9 December 2017 and later revised to 31 December 2020).

I visited the project on 12 December 2021 and noted that it was yet to be completed and no work was going on, since the contractor has abandoned the site, despite the fact that the contractor was already been paid a sum of USD 21.46 Million (equivalent to TZS 49.32 Billion which is 65% of the contract sum).

I also observed existence of building materials and equipment which have been abandoned. In this regard, I consider this a fundamental breach of the

contract that qualifies for termination. I am of the view that the non-completion of the Silo complex project timely has limited the capacity of NFRA Zones to optimize its capacity for storage of maize grains procured from various buying centres.

I recommend the Ministry of Agriculture and Ministry of Finance and Planning to find out the reasons for contractor's failure to complete the project and take relevant measures so as to complete the project

9.6 Slow Progress on the Implementation of Silos Projects for Construction, Installation, Testing, and Commissioning of Silos Complex and Warehouses worth TZS 134.25 Billion (USD 53.42 Million)

The National Food Reserve Agency entered into two contracts for the design, supply, construction, installation, and commissioning of Silo complexes, warehouses and rehabilitation of its existing facilities with Polish Contractors. Both projects were scheduled to be completed in December 2017 but were revised to 31 March 2022 and 31 December 2020 respectively. The **Table 64** below shows details of the two projects:

Table 64: Slow Progress for NFRA Silos Projects

Contractor	Sites	Contract (USD)	Price	Duration
M/s FEERUM SA	Songea, Makambako, Mbozi, Dodoma and Shinyanga.	33,140,791		18 months
M/s UNIA SP.Z.O.O	Sumbawanga, Mpanda and Babati	20,280,906		12 months
Total		53,421,697		

Source: Contract documents

Although the two projects were expected to be completed as at December 2017, I noted a significant slow progress on the implementation of the silo project which has affected negatively the Agency's grain storage capacity for a period ranging from 12 to 18 months for the above two projects. Until the time of my audit on December 2021, the contractors; M/s FEERUM SA and M/s UNIA SP.Z.O.O were already been paid USD 21.46 million (equivalent to TZS 49.32 billion equals to 65%) and USD 16.89 million (equivalent to TZS 38.81 equals to 83%) respectively.

I recommend to the Management of NFRA to ensure that they take appropriate measures in ensuring that there is an increased speed in the implementation of the project and its timely completion

9.7 Executed Projects and Contracts without Proper Authentication of Performance Guarantee TZS 18.53 Billion

Reg. 29 of the PPR, 2013 requires the procuring entity to require the successful tenderer to submit performance security to guarantee the faithful performance of the contract and payment of all labourers, suppliers, mechanics, and subcontractors. All procuring entities are required to write a confirmation letter to the bank or insurance company regarding the submitted performance securities for validity purposes.

I reviewed sampled procurement contract files and noted that 12 procuring entities including seven Agencies with a total value of TZS 9.15 billion, three other government institutions (TZS 6.4 billion), one Regional Secretariat (TZS 1.5 billion) and one Ministry (TZS 1.5) executed various projects without performance guarantees for procurements worth TZS 18.53 billion as detailed in **Appendix XXXV** of this report.

I also noted cases whereby procuring entities did not write confirmation letters to the bank or insurance company for authentication of the submitted documents relating to performance securities.

I am of the view that in the absence of valid performance securities, any default by the contractor the institutions will have no leverage to cover preliminary expenditures associated with a given contract.

I recommend management of procuring entities to ensure that contractors submit performance securities as per requirement of Reg. 29 of the PPR, 2013 and authenticate the submitted performance securities to determine their validity

9.8 Divergence from Annual Procurement Plans TZS 9.85 Billion

Section 69(7) of Public Procurement Act, 2011 (as amended in 2016) requires a procuring entity to draw up procurement plans for those requirements for which sufficient funds have been included in the approved budget in the current financial year or if payment will be due in subsequent financial year, such payment have been budgeted for.

However, I noted that during the year ended 30 June 2021, 21 MDAs/RS procured goods and services amounting to TZS 9.85 billion which were not contained in the respective entity's' annual procurement plans. Since these procurements were not in the annual procurement plan, it is my view that

the gap was due to improper planning during the budget preparation in the respective MDAs/RS. Procurements not in the annual procurement plans have significantly decreased by TZS 5.28 billion (equivalents to 35%) from TZS 15.13 billion (2019/20). 7 MDA were involved in 2019/20. Details are provided in **Appendix XXXVI**.

I recommend, Management of Government entities concerned to prepare realistic budget estimates which are used for preparation of annual procurement plans

9.9 Procured Motor Vehicles worth TZS 10.34 Billion not Delivered by GPSA

Government Procurement Service Agency (GPSA) has a mandate to ensure adequate and quality procurement services to the Government and Non-Government institutions as stipulated in the Public Procurement Act Cap 410. The Agency is also vested with bulk procurement of motor vehicles, motorcycles, and plants for Government institutions. The mandate is enshrined under Reg.130 (1) of PPR, 2013 as amended by Reg. 41 of the Public Procurement (Amendment) Regulations 2016. This includes the mandate of GPSA to procure public motor vehicles on behalf of government entities.

From the review of procurement records as well as payment vouchers, I noted that 17 MDAs paid a sum of TZS 10.34 billion to the Government Procurement Service Agency (GPSA) for the procurement of motor vehicles but up to the time of audit in December 2021 the said motor vehicles were yet to be delivered by GPSA to respective entities. The list of institutions whose motor vehicles are pending for delivery is as shown in **Appendix XXXVII**.

Delays in the delivery of motor vehicles hinders the institutions' operations, especially in the facilitation of transportation services.

I recommend GPSA Management to ensure timely delivery of motor vehicles. I also urge MDAs and RS to make a close follow-up with GPSA for undelivered motor vehicles.

9.10 Procurement Made without Tender Board Approval TZS 3.79 billion

Section 33(1) (d) of Public Procurement Act, 2011 requires all procurements and disposal by tender procedures to be approved by the Tender Board.

During the year under review, 20 Government entities including 10 referral hospitals (TZS 2.15 million), two votes (132.16 million), two Agencies (227.42 million), 3 water authorities (TZS 1.22 Billion), and two Regional Secretariats (58.67 million) procured goods and services amounting to TZS 3.95 billion from various suppliers without being approved by the Tender Board as per the requirement of Section 33(1) (d) of Public Procurement Act, 2011(as amended in 2016) the details are shown in **Appendix XXXVIII** of this report. I noticed an increase of TZS 2.23 billion whereby more eight entities were involved during the current year 2020/21 comparing 11 entities with a procurement value of TZS 1.56 billion in 2019/20.

I am of the opinion that effecting procurements without getting the Tender Board approval is a violation of Section 33(1) (d) of Public Procurement Act, 2011, which may lead to the procurement of goods with inferior quality and at a higher price as well as procurement procedures are not monitored by the Tender Board.

I recommend the Management of MDAs to ensure that the Tender Board approves all procurements and disposal before being executed.

9.11 Procurements using Single Source and Restricted Tendering without Justification TZS 8.08 billion

According to Regulation 159 (1) of Public Procurement Regulation 2013 as Amended by Regulation 60 of the Public Procurement Regulations (Amendment Act), 2016, subject to approval by the Tender Board, a procuring entity may engage in a single-source procurement in accordance with sub-regulation 3 under specified circumstances including the following: there is an urgent need for the goods or services; the goods or services are available only from a particular tenderer who has exclusive rights in respect of the goods or services; procurement involving National Defence or national security; was an on-going project, additional items need to be purchased for the completion of implementation.

In addition Reg. 152 of Public Procurement Regulation, 2013 requires among others the procuring entity to restrict the issue of tender documents to a

limited number of specified tenderers if there is an urgent need for the goods, works or services such that there would be insufficient time for a procuring entity to engage in open national or international tendering, and that the circumstances giving rise to the urgency could not have been foreseen by a procuring entity and have not been caused by dilatory conduct on its part.

During my audit on procurement management, I found that seven MDAs used single source procurement method and restricted tendering process for procured goods and services worth to TZS 8.08 billion without documented justification as per the requirement of Regulation 159 (3) and 152 of Public Procurement Regulation, 2013. The details are in **Appendix XXXIX** this report.

I am of the opinion that the use of the single-source method of procurement without proper justification might limit competition and failure to obtain high-quality items with lower evaluated prices and may lead to manipulation and inflation of prices of goods and services, which undermines effective resource management.

I recommend MDAs and RS to fully comply with the procurement laws by observing proper justification when using single-source procurement to enhance competition on procurement.

9.12 Long Procurement Process Exceeding 120 Days Undertaken by the Ministry of Finance and Planning

Reg.191 (3) of the Public Procurement Regulations, 2013 states, “the period fixed by a procuring entity shall be sufficient to permit evaluation and comparison of tenders, for obtaining all necessary clearances and approvals, and for the notification of the award of contracts and finalization of contracts but the period shall not exceed one hundred and twenty days from the final date fixed for submission of tenders.”

In addition, Regulation 4 of Public Procurement Regulation 2013 states that in exceptional circumstances, prior to the expiry of the original period of effectiveness of tenders, a procuring entity may request tenderers to extend the period for an additional specified period of time.

A review made on sampled procurement files at the Ministry of Finance and Planning noted that the procurement process for four procurements took

about 135 to 175 days (i.e. from the opening ceremony to the finalization of a contract) which are more than 120 days as per the requirement of Regulation 191 (3) of the Public Procurement Regulations, 2013 without requesting tenderers to extend the period for an additional specified period of time as detailed in **Table 65** of this report.

Table 65: Analysis of procurement process in excess of 120 days

Tender particulars	Opening Ceremony date	Finalization of contract date	Days spent to contract date	% Increase
ME/004/2020-21/HQ/G/25 Supply, Installation, Commission, and Maintenance of checkpoint station for the Ministry of Finance and Planning (Vote 50)	7/12/2020	03/06/2021	175	45
ME/004/2019-20/HQ/G/23 Supply, and Commissioning of network infrastructure at Mtumba office for the Ministry of Finance and Planning (Vote 50)	20.1.2021	30.6.2021	158	31
ME/004/2020-21/HQ/NC/21 Provision of service for Technical Fee for SMS notification charges for the Ministry of Finance and Planning (Vote 50)	4.1.2021	26.05.2021	141	18
ME/004/2019-20/HQ/W/06 Renovation and Maintenance works for TRAB offices for the MoFP (Vote 50)	24.7.2020	7.12.2020	135	12

Source: Annual Procurement Plan and tender files

I am of the opinion that the excessive lengthy of the procurement process signifies the inadequate coordination between key stakeholders (PMU, user department, and committees which in turn has resulted in delays in tender processes and might lead to unnecessary variations due to material cost overruns and limits the realisation of intended objectives.

I recommend Ministry of Finance and Planning management to establish the cause for failure to complete the procurement process within 120 days and take relevant measures to correct the anomaly.

9.13 MDAs Failure to Impose and Deduct Liquidated Damages upon Fundamental Breach of Contracts Amounting to TZS 59.66 billion
Reg. 112 (1)-(3) of Public Procurement Regulation, 2013 requires a procurement entity to impose on a tenderer, liquidated damages for undelivered materials or goods, undelivered or delayed services or delayed works at the rates of 0.10 to 0.20% of the contract value per day in the case of procurement of goods or materials and 0.10 up to 0.15% of the contract value per day in the case of procurement of works as well as 0.10 up to 0.20% of the contract value per day up to a sum equivalent to the amount of the performance guarantee.

However, I noted that although contractors failed to perform their contractual obligations timely but management of three MDAs and one Other Institution did not impose and consequently deduct liquidated damages on various construction project's contracts worth TZS 59.66 billion as shown in **Appendix XLI** of this report.

I also noted that contractors and MDAs including the Rural Energy Agency (REA), Eastern Africa Statistical Training Centre (EASTC) and President's Office-Records and Archives Management Department had failed to amicably resolve their disputes after unsatisfactory performance of the contractual obligations provided in their construction contracts owing to ineffective contract management and inadequate decision making for those charged with governance. This resulted in abandonment of projects (electric installation project undertaken by REA and Office building construction projects) by contractors and no performance security was called upon. In this regard, an expected value for money was not attained, and loss of government financial resources.

In view of the above, management of MDAs has failed to comply with the requirement of Reg. 243(5) (b) of The Public Procurement Regulation, 2013.

I recommend MDAs to immediately impose and deduct liquidated damages after a fundamental breach of contracts, especially on abandoned or delayed project completion, if all remedial actions have failed.

9.14 Terminated Contracts without Proper Justification TZS 126.55 billion

Reg. 113 (1) of Public Procurement Regulations 2013 provides that “where a successful tenderer fails to execute the contract or agreement within the specified time or fails to comply with the contract or agreement without a justifiable and acceptable reason which result into the termination of such contract or agreement, the Accounting Officer shall refer the matter to the Authority and the Attorney General for information and appropriate action”.

During the year 2020/21 Rural Energy Agency (REA), National Food Reserve Agency (NFRA) and Prisons Service Department terminated three contracts amounting to TZS 126.55 billion with contractors due to underperformance of contractors. However; my review noted that, the aforementioned procuring entities failed to escalate termination procedures by referring to clauses provided in the contracts including resolving their disputes by seeking advice legal advice from respective authorities including the office of the Attorney General.

I was informed that, the respective Agencies through their respective Ministries have formed negotiation teams that will come up with recommendations on how to resolve the matters, but their respective ministries have not yet issued any recommendation on the way forward to be adopted by the Agencies.

I am of the view that, irregular termination of contracts with contractors or suppliers may result to unresolved disputes. The list of Agencies that terminated contracts with their contractors are shown in **Appendix XLII**.

I recommend the procuring entities to ensure that termination of contracts for suppliers or consultants are legally scrutinised and properly justified to enhance proper accountability of funds already disbursed to respective projects or activities.

9.15 Un-secured Advance Paid to Contractors for Postponed Projects under TEMESA and TBA TZS 2.12 Billion

On 11 March 2021 and 11 June 2021, TEMESA signed four contracts with M/S Songoro Marine Transport Ltd for the rehabilitation of its four marine vessels namely; MV Ujenzi, MV Mara, MV Kome II and MV Musoma at the contract sum of TZS 1.25 billion (VAT Inclusive).

Clause 22 of the Special Conditions of the signed contracts between TEMESA and contractors require the contractor to be paid advance equal to 10% of contract sum within seven days from the date of signing the contract and upon submission of the unconditional bank guarantee in amounts and currencies equal to the advance amount paid to him. My review noted the following irregularities;

M/S Songoro Marine Transport was paid an advance payment amounting to TZS 116.57 million after submitting four Advance Payment Guarantees from TPB Bank PLC. I also noted that M/S Songoro Marine Transport was then instructed by TEMESA (Employer) to postpone the rehabilitation works of all vessels until alternative transports are obtained to ensure the sustainability of operations to the community.

In light of the above suspension, the submitted bank guarantees had already expired before the commencement of the rehabilitation works while the advanced amount of TZS 116.58 million was yet to be recovered as of the time of my audit in December 2021. Details are shown on **Table 66** of this report.



Table 66: List of Entities that Paid to Contractors for Postponed Projects

SN	Name of MDA	Nature of activity	Advance Amount (TZS)	Projects' progress
1.	TEMESA	Rehabilitation of four (4) marine vessels	116,577,687.00	No works have been undertaken up to the time of my audit on December 2021
2.	M/s TBA brigade Co. Ltd	Construction of Office building	2,000,000,000.00	
Total			2,116,577,687.00	

Source: Individual Management letters for MDAs for the year 2020/21

Management explained that delays in repairing of vessels were due to lack of alternative transport facilities. I am of the opinion that, the unsecured advance which had been paid to the contractor may result in loss of government monies since the intended objective to facilitate marine transport was not achieved.

Furthermore, I noted that the contractor M/s TBA - brigade Co. Ltd was advanced the total amount of TZS 2.00 billion without submitting bank guarantee for the amount advanced. Up to the time of audit in December 2021 the amount advanced to the contractor was yet to be recovered contrary to the requirement of the above clause.

I recommend that Management of TEMESA should ensure an alternative mechanism for sustainability of transportation service delivery before advance payment is granted to the contractor for the rehabilitation of existing vessels. Also, the Agencies TEMESA and TBA are advised to obtain a time extension of guarantees to secure the paid advance amounting to TZS 2.12 billion.

9.16 The Ministry of Education, Science, and Technology (MoEST) and Tanzania Building Agency (TBA) Lacks Delegated Authority to Manage their Procurements Worth TZS 26.32 Billion

Regulation 48 (1) of Public Procurement Regulation of 2013 allows accounting officers to delegate any of the procurement or disposal by tender functions of the Tender Board or procurement management unit to a sub-division of the procuring entity subject to any value limitations or other exceptions.

My review of teachers' colleges operations under the Ministry of Education, Science and Technology revealed that heads of Teachers' Colleges (TCs), Folk Development Colleges (FDCs), and School Quality Assurance (SQA) offices, were directed by the Accounting Officer among other things to ensure adherence to financial and procurement laws and regulations.

I found that the colleges and Quality Assurance offices across the country collectively received funds amounting to TZS 9.78 billion for running the offices, including procurements of goods and services. However, they were lacking delegated procurement authorization as a result they cannot manage their procurements using the existing local procurement committee's contrary to the requirement of Regulation 48 (1) of Public Procurement Regulation of 2013. In light of the above scenario, these colleges could not submit regular procurement reports to the Ministry's PMU on a regular basis.

I am of the view that failure to have procurement delegated authority limits the colleges and the School Quality Assurance (SQA) offices to undertake their procurement using competitive methods. This implies inadequate internal controls to ensure proper demarcations on approval or authorization limits at TCs, FDCs, and SQAs offices.

On the other hand, I noted that except for the TBA at Dodoma Regional office other TBA regional offices were yet to be established with a delegated Tender Board for approval of procurements. During the year

2020/21, Dar es Salaam, Geita, Mwanza, Simiyu, Kagera, and Mara offices procured goods and services worth TZS 16.54 billion. The volume of procurement undertaken by MoEST and TBA regional offices are as shown in Table 67:

Table 67: List of MDAs that lack delegated Tender Board

Name of MDA	Amount of procurement (TZS)
Ministry of Education, Science, and Technology (MoEST)	9,780,245,058.90
Tanzania Building Agency (TBA)	16,541,277,528.17
Total	26,321,522,587.07

Source: Individual CAG's Management letters for 2020/21

I recommend MoEST to ensure procurement delegation of authority at TCs, SQA and FDCs to ensure procurement reports such as annual procurement plan, monthly procurement report and annual procurement reports are submitted to the Ministry's PMU. Also, the TBA Management should ensure all regional offices establish delegated Tender Boards

9.17 Geita RS Failed to Incorporate Attorney General's Comments in the Contract Worth TZS 1.50 Billion

Reg. 59(5) of Public Procurement Regulation, 2013 states that "The Accounting Officer shall, upon receiving the legal advice on the draft contract from the Attorney General, consider and incorporate the advice in the draft contract".

I reviewed contract No. RS/022/2020/2021/W/01 for construction of Regional Commissioner's Residential House at Geita amounting to TZS 1.50 billion and noted that the Attorneys General's Office vetted the contract and gave some comments to be considered in the final draft of the contract. Contrary to the aforementioned regulation, Geita RS did not incorporate the Attorney General comments in the contract including the use of bank guarantee over the performance. However, this was not honoured and considered by the RS management.

The Attorney General also advised the Secretariat to attach all missing appendices, including but not limited to a power of attorney and forms of integrity but the same were not attached.

Failure to incorporate AG's comments in the contracts is non-compliance Reg. 59(5) of Public Procurement Regulation, 2013, also it exposes the

Regional Secretariat to legal risks and could jeopardise the performance of the contract.

I recommend that the Accounting Officers of Geita RS in future incorporate AG's comments into the contract before signature to avoid unnecessary legal issues that can result to improper management and implementation of the contracts and projects.

9.18 Awarding Contracts to Another Contractor for Works Already Contracted TZS 527.59 Million

Reg. 110 (5) of the Public Procurement Regulation 2013 as amended by Reg. 36 of the Public Procurement Regulation, 2016 GN 333 provides that the proposed variations such as additions or deductions which are not incidental to or arising out of the contract, and which alter the scope, extent or intention of the contract shall, in every case, be referred to the Tender Board for approval before instructions are issued to the tenderer.

On 23 June 2017, Njombe Regional Administrative Secretary contracted M/s Tanzania Building Agency for the construction of regional block building at the contract sum of TZS 5.6 billion.

It was further noted that on 9 December 2020 (three years later) RAS Njombe signed another contract with M/s SUMA JKT Construction Co. Ltd to perform activities previously contracted to TBA for the contract sum of TZS 527.59 million without terminating the previous contract with M/s Tanzania Building Agency (TBA).

I recommend that the Njombe Regional Administrative Secretary to ensure that the contracts for the construction of Regional Block building for Njombe Region is implemented as per original agreed terms of the contract with M/s Tanzania Building Agency without extra costs as the contractor has already been paid to undertake the project.

9.19 Authorized Payments without Carrying Out Measurement and Certification of Actual Executed Works TZS 623.70 Million

Reg. 243 (2 and 3) of Public Procurement Regulations, 2013 requires procuring entity to authorise payments by measurement and certification, at the intervals or stages stated in the contract provided further that percentage of each such payment may be retained as retention money if so stated in the contract. Where the performance of a service provider or contractor is not in conformity to the requirements prescribed in the contract, the procuring entity is required to notify the service provider or

contractor of any shortcomings and may refuse to authorise further payments until the requirements are met”.

On 13 June 2018, Singida RS contracted Tanzania Building Agency (contact number RAS/012/W-3/2017/2018) at the contract sum of TZS 1.21 billion for construction of the District Commissioner’s Office at Mkalama District. The contract was expected to commence on 21 June 2021 to 20 May 2019 (extended to 3 November 2021).

I reviewed the project procurement file and noted that Singida Regional Secretariat made payments to the contractor for activities in the interim payment certificates (IPCs) No. 1- 5 amounting to TZS 623.70 million, however; these payments were not measured and certified as complete contrary to the above cited regulation.

I was informed that the situation was caused by the nature of the contractor (TBA), who required the employer (RS) to make an advance payment before the execution of works.

I am of the view that inclusion of advance payment in the interim payment certificate is non-compliance with Reg. 243 (2 and 3) of Public Procurement Regulations, 2013 which may result to non-performance of some activities.

I recommend the Regional Secretariat to authorise payments to the contractor by measurement and certification, at the intervals or stages stated in the contract.

9.20 Songwe Referral Hospital Commenced the Construction Project of Out Patient Department (OPD) before Engaging a Consultant Leading to an Increase in Project Cost Variations of TZS 2.68 Billion (75%)

Reg. 110 (5) of the Public Procurement Regulation as amended by Reg. 36(3) of the Public Procurement (Amendment) Regulations 2016 requires that the proposed variations such as additions or deductions which are not incidental to or arising out of the contract, and which alter the scope, extent, or intention of the contract shall, in every case, be referred to the Tender Board for approval before instructions are issued to the tenderer.

On 13 October 2019, the RRH at Songwe contracted M/s Mbeya University of Science and Technology (MUST) for construction of the OPD building through force account procurement method at the contract sum of TZS 3.57

billion. The consultant M/s Crystal Consultants was contracted in February 2020 which is four months later at the contract sum of TZS 2.68 billion that increased the scope of work by adding other items in the BOQ and schedule of materials resulting to an increase of total cost to 75% above the original estimate. However; the same was not approved by the Tender Board.

I learnt that; the increase was attributed by delay in engaging a professional consultant whereby a lot of items were under-estimated resulting to such a huge variation. Previously, the project was supervised by the RS management at Songwe.

I am of the view that, the increased costs to more than 75% of the original estimate implies weakness in planning and management of construction works and may lead to cost overruns.

I recommend that the Songwe RRH Management ensure a thorough estimation of project-related costs before the commencement of works, including early engagement of a consultant, to avoid significant cost variations for ongoing projects.

9.21 Anomalies in the Contract for Construction of National ICT Broadband Backbone Extension at Mtambaswala Border Point worth TZS 2.45 Billion

On 13 January 2021, the Permanent Secretary Ministry of Communication and Information Technology signed a contract agreement (ME.006/2020/2021/HG/W/02) with M/S Raddy Fiber Solution Ltd for the construction of National ICT broadband backbone extension at Mtambaswala border point at contract price of TZS 2.45 billion. The contract period was agreed to be six months to 24 July, 2021 later revised to 24 September 2021. However, I found the following anomalies:

a) Performance Bank Guarantee not extended to Cover Contract Period. Clause 60.2 of GCC requires the Performance Bank Guarantee to be valid until 28 days from the date of issue of the Certificate of Completion. The contractor was granted an extension of time from 24 July 2021 to 24 September 2021. However, the Performance Bank Guarantee No. CRDB211GT0258 dated 5 February 2021 which was issued by CRDB Bank was valid until 31 August 2021, implying that the performance guarantee had expired before completion of the project.

b) Non-Submission of Insurance Cover

Clause 6 of SCC and Clause 16.1 of GCC requires the contractor to provide in the joint names of the employer and the contractor insurance cover from the commencement date to the end of Defects Liability Period such that the minimum insurance shall cover loss of or damage to the works, plant and materials, damage to equipment loss of or damage to property and personal injury or death. However, I noted that the contractor did not submit the insurance cover in line with the contract general conditions. I am of the opinion that, in the absence of insurance covers could expose the Ministry to the risk of projects delay in case insurable events occur.

c) Non-adherence to the Programme of Work by the Contractor

My review of the updated program of work and a site visit conducted on 21 September 2021 noted that, the contractor was supposed to complete the project on 24 September 2021. However, the following activities were yet to be performed; installation of concrete marker post, installation of transmission equipment's, configuration, commission, and Provisional Acceptance Test.

It came to my attention that these anomalies were due to oversight by the Ministry's management on procurement undertakings.

I recommend to the management to ensure that, in the future, projects are already covered by insurance cover, performance bank guarantee is in line with contract duration. The Ministry should enhance project supervision to ensure that works are completed as early as possible without additional cost.

9.22 Failure to Achieve Value for Money in Engaging a Consultant under the Ministry of Works and Transport (Works) TZS 910. 52 Million

On 12 June 2020, Ministry of Works and Transport (Works) entered into a contract with M/S Deloitte Consultant for carrying out a study on how the Ministry can enhance its access to real-time information on key projects and operations. The objective was to improve oversights and result in management and how well the Ministry can be configured internally to support the delivery of its mandate to ensure effective monitoring of the development projects at the contract amount of TZS 910.52 million. The consultant completed the work and submitted the final report in October 2020.

The consultant was paid a whole contract sum of TZS 910,515,273.29 after fulfilling the obligations as per the modality of payment stated in the contract.

I reviewed the consultant report and observed that critical recommendations issued by the consultant included the need for a centralised data repository and data analytics (Data warehouse) at the Ministry. Nevertheless up to the time of audit in September 2021, the consultant's recommendations were yet to be implemented and no funds have been set aside in the budget for the year 2021/22 to facilitate establishment and development of Centralized Data Repository and Data Analytics (data warehouse) and Integrated Infrastructure Management System (IIMS) to enable the Ministry to acquire the necessary up-to-date information for effective and monitoring and supervision of development projects undertaken by Agencies under its supervision.

I learned that the matter was attributed to inadequate funding to set up an effective and efficient management system.

I am of the view that the Ministry has not achieved value for money in the investment due to the non-implementation of the consultant's recommendations.

I recommend the management of the Ministry to set funds in the budget to acquire ICT Management Systems to improve for speed up to transfer of information and interpretation of data for offering quality services to its client.

9.23 Procuring Entities Failed to Submit Monthly, Quarterly, and Annual Procurement Reports to Public Procurement Regulation Authority (PPRA)

Reg. 87 (2) of the Public Procurement Regulation, 2013 requires procuring entities to submit monthly and quarterly procurement implementation reports within seven days after the end of the respective month or quarter and annual procurement implementation reports within thirty days after the end of the respective financial year to Public Procurement Regulatory Authority;”

Contrary to the cited regulation, I noted that seven entities did not submit monthly, quarterly, and annual procurement implementation reports to

PPRA for all months, all quarters, and the annual procurement reports as per requirement of cited above regulation.

In this regard, I am of the view that failure to submit procurement reports to Public Procurement Regulations limits the PPRA to continuously monitor the procurement activities and contract implementation of the procuring entities across the government.

Below is a list of procuring entities that did not comply with this requirement:

- Agency for Development of Educational Management (ADEM);
- Ministry Of Health, Community Development, Gender, Elderly and Children;
- Commission For Mediation and Arbitration;
- United Nations Educational, Scientific and Cultural Organization (UNESCO) National Commission;
- Financial Intelligence Unit;
- Simiyu Regional Secretariat;
- Bukoba Regional Referral Hospital.

I recommend that the procuring entities in the future timely prepare and submit to Public Procurement Regulations Authority monthly, quarterly, and annual procurement reports.

9.24 Cumulative Interest Charges due to Delay in Settlement of Contractor's Outstanding Claims under the National Irrigation Commission TZS 2.52 Billion

Clause 4.6.1 of the General condition of the contracts between the Ministry of Agriculture and M/s CMG Construction Co. Ltd requires that, if the employer makes a late payment, the Contractor shall be paid interest on the late payment in the next payment and the interest shall be calculated from the day by which the payment should have been made up to the date when the late payment is made at the prevailing rate of interest for commercial borrowing for each of the currencies in which payments are made.

The Ministry of Agriculture on the behalf of the National Irrigation Commission entered into a contract agreement with the contractor M/s CMG Construction Co. Ltd during the financial years 2011/12 and 2012/13 for the construction and rehabilitation of five (5) irrigation schemes projects which were previously financed by the former District Agricultural Sector

Investment Project (DASIP). The total contract sum of the five (5) projects was TZS 4.43 billion.

I revealed that as of 15 October 2018 the Contractor had already been paid a sum of TZS 2.03 billion (equivalent to 46%) out of TZS 4.43 billion leaving TZS 2.40 billion (equivalent to 54%) still unpaid to the contractor. In this regard, the delay to pay the contractor's claims timely has resulted in cumulative interest equivalent to TZS 2.52 billion charged in accordance with Clause 4.6.1 of the General condition of the contracts between the Ministry of Agriculture and M/s CMG Construction Co. Ltd as shown in **Appendix XL** of this report.

I am of the opinion that non-payment of accumulated interests may result in attracting more interest as a result of the compounding effect and the Government will have to pay more funds.

I recommend to the Management of the National Irrigation Commission to ensure all outstanding claims in respect of the Contractor M/s CMG Construction Company Limited are settled in order to avoid further accumulation of interests. The Ministry of Finance and Planning is also urged to ensure the early disbursement of funds requested by the Commission through various correspondences.

9.25 The Tanzania Building Agency (TBA) Delayed the Closure and Handing- of Projects to Clients TZS 7.28 Billion

Clause 65.1 of the General condition of the contract between TBA and its Clients requires the contractor (TBA) to request the project manager to issue a certificate of completion of the works and the project manager will issue it upon satisfaction the works are completed. Further, Clause 66 of GCC requires that, when the certificate of completion is issued by the project manager, the contractor is required to hand over the site and the works to the employer within the time specified in the Special condition of the contract.

My review noticed that four government institutions (employers) including; Kigamboni Municipal Council, Higher Education Students' Loans Board (HESLB), Ministry of Finance and Planning and Water Institute contracted the Tanzania Building Agency (TBA) to execute the construction and rehabilitation of four projects amounting to TZS 8.26 Billion, of which TBA had already been paid a total amount of TZS 7.28 Billion.

The progress reports for each project and site visit indicated that the works were substantially completed to almost 100%, and the defect liability period had already been expired for a period ranging from four (4) to eight (8) months at the time of audit in January 2022 contrary to clause 65.1 and 66 of the General condition of the contract between TBA and its Clients. I noted that TBA was yet to request the project manager to issue a certificate of completion of the works.

TBA Management explained that the failure to hand over and close the respective projects were attributed to various reasons including; uncorrected snags, weak communication, and responses between the project manager and contractor (TBA), delay in payment from the employers, and unresolved arguments between contractors, employers and project managers.

Failure to close and hand over the projects after the expiration of the defect liability periods impairs TBA to claims retention money withheld in employers' accounts and likewise; the employers may fail to utilize the facilities that were intended to be constructed by TBA. Hence; the value for money is delayed to be achieved.

TBA management is recommended to make sure that, projects are performed in accordance to the terms and conditions of the contracts and all noted snags are rectified timely. Further; TBA is recommended to officially hand over clients' projects to enable timely utilization of the intended facilities.

9.26 Commencement of Road Construction Works Prior Design Review on Upgrading of Nachingwea-Ruangwa-Nanganga Road TZS 50.34 Billion

On 27 June 2020, TANROADS contracted M/S China Railway 15 Bureau Group corporation (TRD/HQ/1052/2019/20) for the Upgrading of Nachingwea - Ruangwa- Nanganga Road (106km) to Bitumen Standard; Lot 2: Ruangwa-Nanganga Section (53.2km) at a Contract sum of TZS 50,341,994,202.72 (VAT Exclusive) for the duration of 27 months. The contract is under supervision of Tanroads Engineering Consulting Unit (TECU). I noted the following weaknesses;

TANROADS engaged a contractor M/S China Railway 15 Bureau Group corporation using the original design previously performed by M/S Crown

RECH -Consult Ltd in 2018, and the contractor was instructed to commence works on 3 August 2020 while on the other hand the supervising consultant was instructed to undertake design review of the project as per Sect 3 (a) of the term of reference, for the purpose of ensuring the correctness, completeness and compliance of the road design standards and accommodating changes of features transpired within the construction corridor between the design period to construction period.

I noted that after engagement of supervising consultant, the consultant proposed changes on the original design and resulting to an increase of the contract sum from TZS 50.34 billion to TZS 70.62 billion (equivalent to 29%) which was yet to be approved by the Tender Board up to the time of audit in December 2021 while the contractor is on schedule to implement the variation works.

I am of the view that, performing the project design review while the contractor is on-site may affect the implementation of the project within the agreed contract duration and subsequently perpetuation costs in compensating contract duration.

TANROADS management is recommended to ensure: (a) the project design review is performed prior to engaging the contractor; (b) the project is completed without further delay.

9.27 Additional costs incurred due to delayed contracts TZS 2.03 Billion

On 10 July 2017 TANROADS contracted M/s China Railway 15 Bureau Group Corporation (TRD/HQ/1003/2017/18) for Upgrading of Chunya- Makongolosi (39km) for the contract sum of TZS 59,911,253,695 later revised to TZS 67,029,857,765 for the duration of 27 months to 29 January 2020. On 26 September 2018, TANROADS signed a contract with (TRD/HQ/1076/2018/19) with M/S Umoja-Kilosa JV for the Upgrading of Dumila-Kilosa-Ulaya-Mikumi Roads (142km)

However, I noted that the projects were delayed due to various reasons including the delay in giving possession of quarry and crusher site, delay in effecting payments on interim payment certificates, and late instruction to construct relief box culvert and delay to obtain VAT exemptions,, as a result, the contractors applied for an extension of time to compensate the delayed period which subsequently resulted to additional cost amounting to TZS 2.03 billion as shown in **Table 68** of this report.

Table 68: Contracts that attracted additional costs due to delayed completion.

Contract Number	Contract Price (TZS)	Contract Description	Additional Cost (TZS)
TRD/HQ/1003/2017/18	67,029,857,765	Upgrading of Chun-a - Makongolosi (39km)	1,277,268,305
TRD/HQ/1076/2018/19	32,902,537,449	Upgrading of Rude-a - Kilosa Section (24km).	759,173,586
Total			2,036,441,891

Source: Contract files of respective Regional Offices

It was further noted that the additional costs resulted in the preliminary and general Engineer's accommodation and attendance upon engineers and his site personnel" which is as cost of rental for fully furnished houses and delay to obtain VAT exemptions. It is my opinion that the additional cost of TZS 1.28 billion could have been avoided if the contractor was paid timely on measured works and was given early instructions by TANROADS.

I recommend that; TANROADS to ensure the timely completion of road construction projects and has to plan and include in future projects the associated costs relating to the construction of engineer's camps for accommodation instead of paying monthly rental bills to private houses which are higher than the construction of engineer's camps.

9.28 Exposure of confidentiality by publishing the Bills of Quantities (BOQ) estimates in TANePS during tendering TZS 434 Million

Regulation 376 (2) of Public Procurement Regulation, 2013 requires the proprietary information of the original project proponent contained in the proposal to remain confidential and not be disclosed to any interested tenderer.

My review of online procurement information in TANePS in line with tender documents at TANROADS Manyara region revealed that on 5 August 2020 the agency published and invited bidders showing all estimated costs in relation to tenders TRD/RM/MNR/2020-21/W/44 and TRD/RM/MNR/2020-21/W/43 amounting to TZS 212.90 million and TZS 221.10 million respectively.

In this regards the bidders took advantage of exposed rates and quantities in the BOQ; therefore, the price competitiveness was jeopardized on the view that the confidentiality of priced bill of quantities (rates) has been

exposed to bidder's contrary to the above-cited regulation. The exposure of confidential information had negatively diluted the competitive ground for the bidders to participate. The Agency's management agreed the weakness explained that there was an oversight during the uploading of the (BOQ) in the TANePS.

TANROADS management is recommended to ensure the procurement process is performed by observing confidentiality of vital information before publishing the same system in line with the Public Procurement Act of 2011 and its Regulations of 2013 including not disclosing original project estimate proposal estimates to bidders.



CHAPTER TEN

COMPREHENSIVE CONTRACT MANAGEMENT AUDIT

10.0 Introduction

I audited 55 RUWASA district offices in 25 regions. The main objective was to assess whether there were effective systems in managing water projects to optimise the allocated resources and achieve the intended goals. I audited compliance and performance aspects of contract management. The number of audited projects in each district is as indicated in **Table 69**.

Table 69: Audit Universe for Comprehensive Audit

SN	Region	Audited district offices	No. of audited projects
1	Arusha	Arumeru & Ngorongoro	3
2	Dodoma	Dodoma & Chamwino	2
3	Geita	Mbogwe & Chato	2
4	Iringa	Iringa, Kilolo & Mufindi	6
5	Kagera	Muleba & Karagwe	2
6	Katavi	Mpimbwe & Mlele	2
7	Kigoma	Uvinza & Buhigwe	2
8	Kilimanjaro	Same & Hai	2
9	Lindi	Lindi & Nachingwea	2
10	Manyara	Babati, Han'ng' & Mbulu	6
11	Mara	Butiama, Bunda & Rorya	7
12	Mbeya	Chunya & Rungwe	2
13	Morogoro	Gairo & Kilombero	2
14	Mtwara	Mtwara & Masasi	2
15	Mwanza	Magu & Ukerewe	2
16	Njombe	Makete & Njombe	2
17	Pwani	Kisarawe & Kibiti	2
18	Rukwa	Kalambo	1
19	Ruvuma	Songea & Namtumbo	2
20	Shinyanga	Kahama, Ushetu & Shinyanga	7
21	Simiyu	Busega, Maswa & Meatu	6
22	Singida	Iramba & Mkalama	2
23	Songwe	Momba & Mbozi	4
24	Tabora	Sikonge & Uyui	2
25	Tanga	Kilindi & Handeni	2
Total			74

Source: 2020/21 CCMCA Management letters

I conducted these audits in line with my mandate as provided under Section 10 and 28 of the Public Audit Act, Cap. 418 (RE 2021); which authorises my office to carry out a performance (Value-for-Money) audit to establish the economy, efficiency, and effectiveness of any expenditure or use of resources in Ministries, Departments, and Agencies (MDAs), Local Government Authorities (LGAs), and Public Authorities and Other Bodies. I

also audited using the International Standards of Supreme Audit Institutions (ISSAIs).

This section identifies systemic findings and sets out conclusions and recommendations made to 55 RUWASA district offices in contract management audits conducted in 25 regions. I categorise the findings in nine projects management aspects⁸: -

- Project Risk Management
- Project Cost Management
- Project Scope Management
- Project Quality Management
- Project Schedule Management
- Project Resources Management
- Project Procurement Management
- Project Communication Management
- Project Stakeholders Engagement Management

The audit covered 74 high-value water projects worth TZS 90.52 billion. Of the audited projects, 37(50%) were procured through the national competitive tendering method, 34 (46%) through Force Account method of procurement and 3 (4%) through quotations. The sample size included 48 rolled-over projects (65%) from 2012/13 to 2019/20 and 26 new projects (35%) implemented in 2020/21. **Table 70** below shows the audited projects by their initiation years.

Table 70: Scope of the Comprehensive Contract Management Audit

Project start year	No. of projects	Percentage	Cumulative %	Years of implementation
2012/13	2	3	3	9
2013/14	3	4	7	8
2014/15	1	1	8	7
2016/17	8	11	19	5
2017/18	16	22	41	4
2018/19	5	7	48	3
2019/20	13	17	65	2
2020/21	26	35	100	1
Total	74	100		

Source: 2020/21 CCMPA Management letters

⁸ A Guide to the Project Management Body of Knowledge (PMBOK® GUIDE), Sixth Edition, Project Management Institute (PMI), 2017

10.1 Persistent Challenges

Notwithstanding my consistent advice against the weakening accountability in Local Government, I see my recommendations receiving no earnest attention they require. The audit outcomes have shown an overall regression over the period.

For over 19 years, the implemented water projects have failed to fully address the challenges and meet the National Water Policy, 2002 objectives and Millennium Development Goals⁹. The challenges include guaranteeing minimum water requirements for all humans, maintaining water quality and standards, implementing sustainable water infrastructure and participatory planning and decision-making¹⁰.

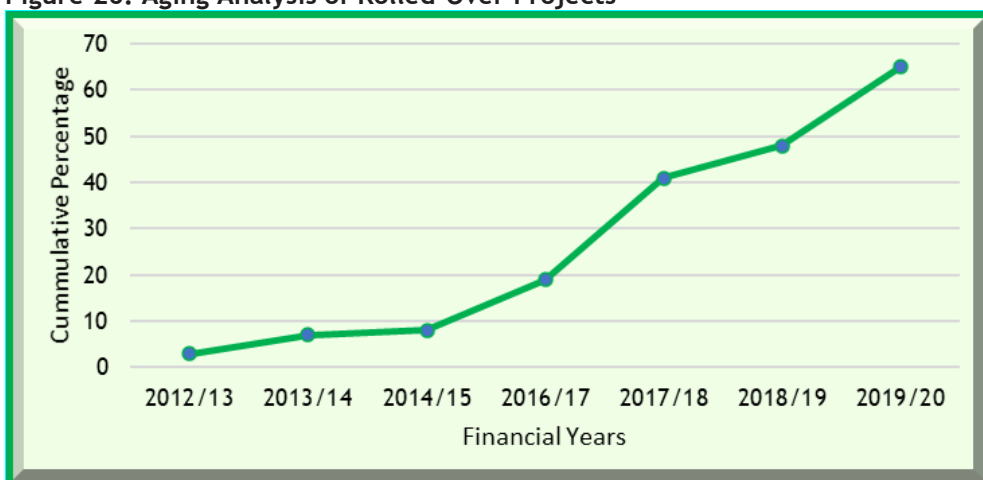
In 65 per cent of the sampled water projects, the Agency implemented three-month to 1-years' projects in two to nine years without accomplishing the intended goal of supplying water to the communities. Longevity in project implementation is due to ineffective and inefficient planning, procurement and contract management and inadequate monitoring of the projects. Most of the challenging projects were inherited from Local Government Authorities in 2019 implemented under the Water Sector Development Programme (WSDP).

In 2019/20, the Agency delayed payments of contractors' claims for the period ranging from 17 to 720 days in 45% of the sampled contracts, which led to delays in projects completion. **Table 70** above and **Figure 26** below show that 19% of the tested projects took more than five up to nine years without completion.

⁹<https://water.org/our-impact/where-we-work/tanzania/>

¹⁰ National Water Policy, 2002

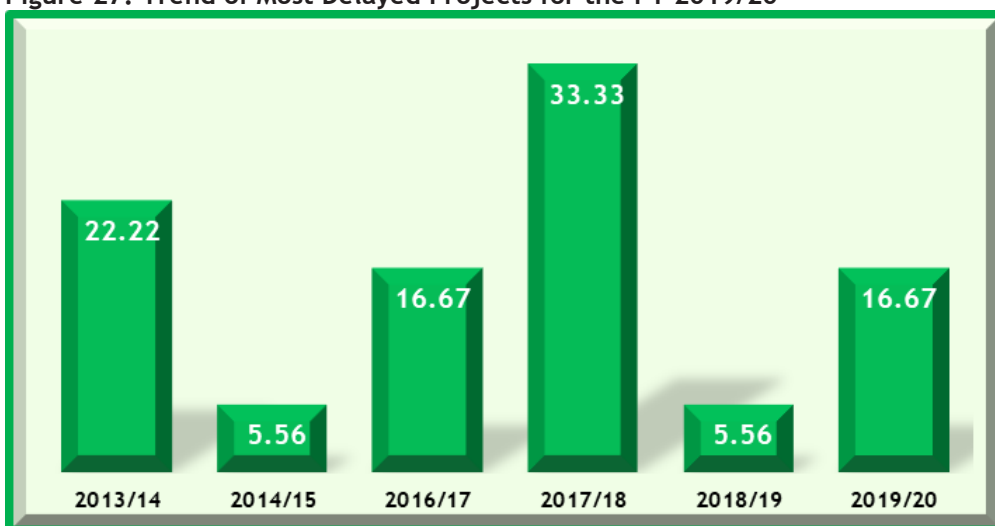
Figure 26: Aging Analysis of Rolled-Over Projects



Source: 2020/21 CCMPA Management letters

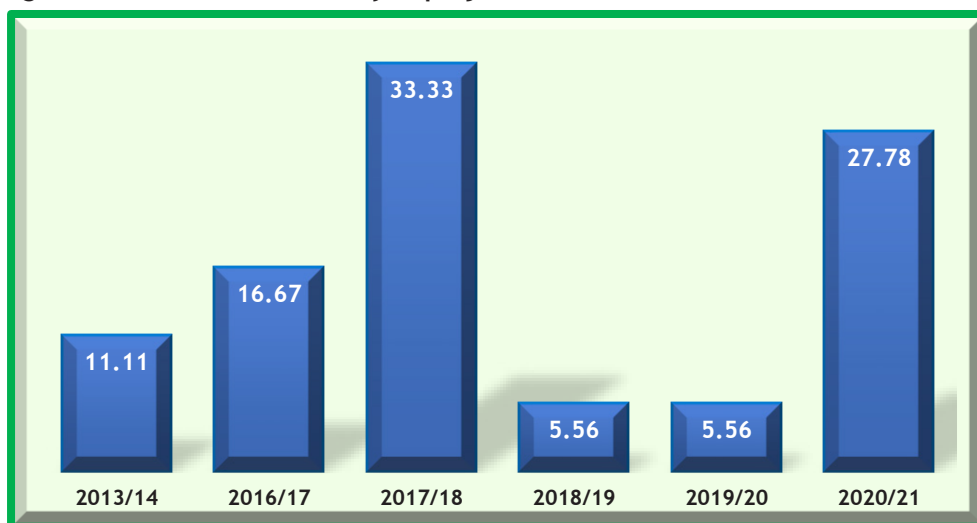
Further inferential analysis of the delayed projects in the financial year 2019/20 and 2020/21 noted projects initiated in 2013/14 and 2017/18 are the most delayed. The leading cause is the inadequate preliminary design of the projects. 55.6% of delayed projects in 2019/20 and 44.4% in 2020/21 were initiated in 2013/14 and 2017/18. On the other hand, 2014/15 and 2018/19 projects were successful in most cases. **Figure 27** and **Figure 28** visualise the noted trends.

Figure 27: Trend of Most Delayed Projects for the FY 2019/20



Source: 2019/20 audited contracts database

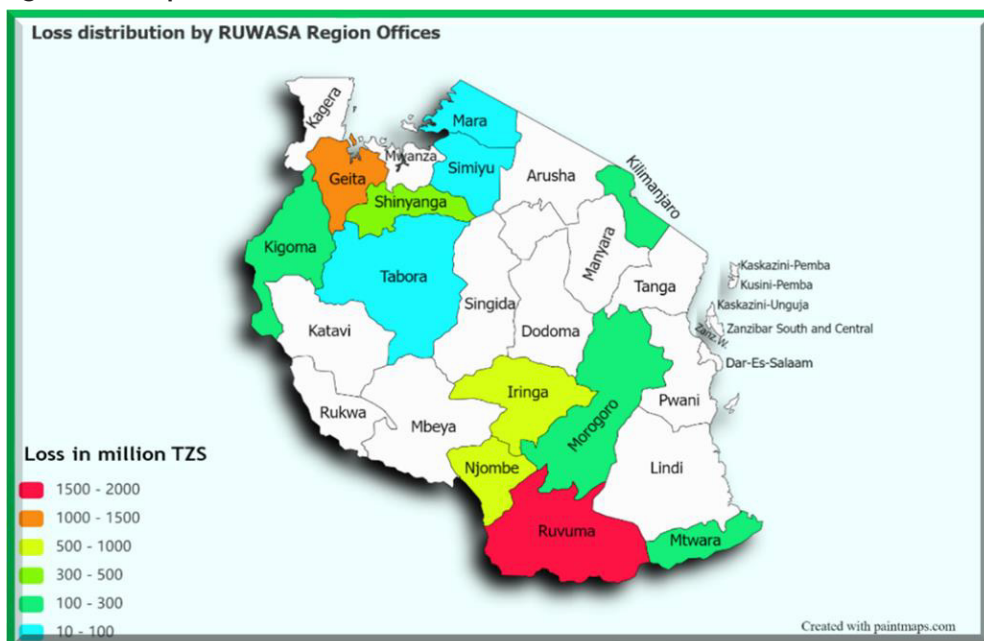
Figure 28: Trend of most delayed projects for the FY 2020/21



Source: 2020/21 audited contracts database

In 55 audited RUWASA district offices, I observed 27 issues requiring management attention. The identified problems have resulted in a total loss of TZS 5.6 billion. They may further lead to a TZS 4 billion loss due to ineffective systems in projects management. The identified loss was caused by 12 out of 25 RUWASA regional offices. **Figure 29** indicates Ruvuma office has a loss of TZS 1,776,464,872 (32%), followed by Geita with a loss of TZS 1.33 billion (24%). On the other hand, Iringa has a loss of TZS 696 million (12%), while Njombe has a loss of TZS 565 million (10%).

Figure 29: Top contributors to the loss



Source: 2020/21 CCMPA MLs

It's high time for the Ministry of Water to evaluate and take as a lesson learnt from the water projects implementation in the ten past years (2010/11 to 2019/20). Any future policy and programme review and evaluation shall base in that period to capitalise on the success of 2014/15 and 2018/19 projects and resolve the underperformance of projects initiated in 2013/14 and 2017/18.

I advise the Agency to evaluate, rank and reward the regional offices' performances and assess causatives and contributing factors of inadequacy in projects management. Indeed, this will boost morale towards implementing projects and the National Water Policy, 2002.

For water infrastructure sustainability, the Agency should institute, monitor and regulate Community Owned Water Supply Organisations (COWSOs), improve Water Point Mapping data. In addition, promote more community participation, provide autonomy in managing water infrastructure, and provide technical support for COWSOs to conduct maintenance works.

10.2 Cost Management Aspect

Cost is the key performance indicator for projects. Its management involves planning, estimating, budgeting, financing, and managing costs to complete the project within the approved budget. The following are significant findings noted on this aspect.

10.2.1 Overpayment of TZS 268 million to the Contractor

Reg. 243(2) of the Public Procurement Regulations, 2013 requires the procuring entity to authorise payments by measurement and certification at the intervals or stages stated in the contract.

I reviewed Payment Vouchers (PVs), Interim Payment Certificates (IPCs), and measurement sheets for the construction of piped water supply from Mhangu to Ilogi village in Msalala District. I noted that the quantities paid in the IPC No. 4, 8 and 11 exceeded measured and approved quantities by 1,869.8m, equivalent to TZS 268 million. Details are in **Table 71** below:

Table 71: Overpayment Made to a Contractor

Item description	IPC No.	IPC Qty (m)	Measured Qty (m)	Variance (m)	Rate (per metre)	Amount overpaid (TZS)
11527.1 steel PN 25 DN 400mm	11	4580	4000	580	195,62	113,462,500
J1524	11	4024	3454	570	38,000	21,660,000
I1527.1 steel pipe PN 30 DN 400mm	8	3263	2000	519.8	195,625	101,685,875
I1527.3 Steel pipe PN 25 DN 350 mm	4	3700	3500	200	160,501	32,100,200
Total						268,908,575

Source: Measurement sheets and interim payment certificates

In my opinion, payment of unexecuted works resulted in a loss of TZS 268 million, which increased project costs.

I recommend to management of RUWASA to recover TZS 268 million and ensure adequate review of claims before payments. In addition, the Agency hold responsible the officers involved.

10.2.2 Wasteful Expenditure of TZS 42.5 million on Insurance

Clause 14.3 of the General Conditions of the Contracts (GCC) for the contracts in **Table 72** requires the employer to recover the premiums paid if the contractor does not provide the required policies and certificates. If no payment is due, the payment of the premiums shall be a debt due.

A review of preliminary items in the Bills of Quantities (BoQs) for the signed contracts noted that the Agency paid the contractors TZS 42.5 million relating to the insurance costs. However, there were no insurance policies submitted to support the payments made. Details are as shown in **Table 72**.

Table 72: Insurance Costs Paid Without Submission of a Cover

District	Project name	Project sum (TZS)	Insurance cost (TZS) ('000)	Payee	Cause
Uvinza	Water Supply System in Nguruka Village-Uvinza DC	2,873,196,856	30,000	Excess Construction Co. Ltd.	The paid insurance was TZS 60M, while the contract had TZS 30m
Mbogwe	Water supply scheme in Kabanga - Nhomolwa	1,239,808,335	2,500	Hematec Investment Ltd	Paid but no insurance policies and certificates submitted
Chato	Nyamirembe, imalabupina and ichwankima water project	3,984,523,550	10,000	Ndeene ngo Senguo Co. Ltd	
Total		8,097,528,741	42,500		

Source: IPCs and contract files

In my view, payment of insurance costs without covers submission has resulted in a loss of TZS 42.5 million. Besides, it could result in further loss as there will be no compensation in case of insurance events.

Since Contractors did not submit the insurance cover, I urge management to recover the paid sum of TZS 42.5 million and use public funds prudently and efficiently in the future. In addition, to take appropriate disciplinary measures against the responsible officers.

10.2.3 Payment of VAT Worth TZS 407 million for Exempted Projects

Circular No. 6 with Ref. No. CLA 321/369/02 dated 22 January 2018, issued by the Ministry of Finance and Planning, requires Donors- and Government-funded projects to be VAT exempted. The PO-RALG further issued directives through a letter with Ref.No.CCE.383/509/01 dated 15 February 2018, requiring project implementers to apply for VAT exemption before implementing Government projects.

I noted six cases whereby RUWASA paid VAT of TZS 407 million for exempted projects. **Table 73** below provides more details.

Table 73: Paid VAT in exempted projects

District	Project name	IPCs Amounts (TZS)	Paid VAT (TZS)
Busega	Extension of Nyashimo water supply scheme at Busega	129,224,997	19,712,288
Buhigwe	Construction of Piped Water supply system for Kavomo to Bwega	266,085,000	43,740,000
Same	Construction of water supply projects in Kasapo and Makanya	321,864,439	49,064,406
Kilombero	Construction of Water Project at Kalengakeru Village	724,156,263	110,464,515
Mtwara	Construction of piped water supply at Mitam-o - Msimbati	929,845,222	167,261,235
Sikonge	Rehabilitation of water project at Muwalle Village	109,194,142	17,215,282
Total		2,480,370,063	407,457,726

Source: CCMPS MLs 2020/21

In my opinion, VAT payment on projects eligible for exemption increased the project costs by TZS 407 million, which could finance other projects. Furthermore, it could discourage donors' willingness to extend grants towards other projects.

I recommend that, management applies for VAT exemption before implementing projects. In addition, hold Accounting Officers accountable for paying VAT in the exempted projects.

10.2.4 Payment of Site Clearance Items in Lump Sum and Cubic Metres Instead of Square Metres

SectionI(c) of the Standard Method of Measurement of Building Works for East Africa (SMM), 1976 and Section D1 of the Modified Civil Engineering Standard Method of Measurement (CESMM), 1983 (Revised 2007) require site

clearing, including bushes, scrub, undergrowth and the like and grubbing up their roots to be in square metres or hectares. Alternatively, provide it as an item stating the approximate area.

I reviewed the Bill of Quantities (BoQ) and Interim Payment Certificate for construction of pumping water supply system at Nguruka Village in Uvinza District worth TZS 2.87 million. I noted that the Agency paid site clearance measurements of TZS 2.16 million in lumpsum or cubic metres instead of using square metres or hectares. **Table 74** below shows details.

Table 74: Items Paid with Improper Measurements

Item No.	Description	BOQ			
		Bill No. 2: Pipes, civil and miscellaneous works			
A	INTAKE WORKS				
1	Site clearance and access at intake	LS	700,000	1	700,000
E	Storage tanks & break-pressure tanks				
1	Site clearance, excavate foundation footing, backfill and compact to desired compaction standard as per specification for a storage tank of 500m ³ with 0.5m extra over of the indicated diameter as working space to a min. depth of 1.2m	m ³	8,000	150	1,200,000
2	Site clearance, excavate foundation footing, backfill and compact to desired compaction standard as per specification for a storage tank of 300m ³ with 0.5m extra over the indicated diameter as working space to a min. depth of 1.2m	m ³	8,000	120	960,000
Total					2,160,000

Source: BoQs and IPCs

Paying site clearance items in a lump sum or cubic metres implies the Agency made the payment without proper measurements. Besides, it could result in an overpayment, hence the loss of public funds.

For efficient utilisation of public funds, I urge management to ensure that, in the future, the Agency prepares BoQ items as per guiding standards. In addition, designs shall be comprehensive to include estimates measurements as per the project site.

10.3 Scope Management Aspect

Mastering scope is the key component to effective project management. For most projects, scope drives the cost and schedule of the project. The following are significant findings on this aspect

10.3.1 Overbilled of Pipe Quantities by 215 Equivalents to TZS 22 Million

Para 1.4.3.1 (Detailed Designs) of Ministry of Water Design Manual for Water Supply and Waste-Water Disposal, Third Edition, Volume I, of March 2007, requires the design to include hydraulic computations for the distribution system and pumps' calculations motors, power generators and other machinery and equipment. The quantities of materials and equipment from the design form part of Bills of Quantities.

I reviewed Interim Payment Certificate (IPC) No. 7, drawings and Bills of Quantity for the construction of pumping water supply system in Nguruka Village worth TZS 2.87 million and noted RODECO consultants designed the project. However, the BoQs quantities for two pipes (PN16 HDPE 160mm and 200mm) were 18,964 above the design quantities, which were 18,749, leading to overbilling of 215 pipes (distance of 1,290m) equivalent to TZS 22 million without justification or reviewed design as shown in **Table 75**.

Table 75: Overbilled Water Pipes

Supply and install pipes, including laying in trenches and testing						
Rising/Transm ission Main (Pipework)	Rate (TZS)	Qty as per BoQ	Amount (TZS)	Design Qty	Over billed Qty	Overbilled amount (TZS)
200mm dia x6m long Upvc pipes with rubber rings PN16	105,300	5,984	630,115,200	5,784	200	21,060,000
160mm dia x6 long Upvc pipes with rubber rings PN16	66,300	12,980	860,574,000	12,965	15	994,500
Total			1,490,689,200			22,054,500

Source: Design report, BoQs, IPC No. 7 and auditor analysis

Inadequate preparations of BoQs and design has led to unnecessary high contract costs due to scope creep and a possible loss of TZS 22 million.

I urge the management to ensure that in future drawing and BoQ designs are matched to reduce the risk of overpayment and enhance the efficient utilisation of public funds. In addition, for accountability purposes. In addition, take disciplinary measures against the responsible officers.

10.3.2 Unauthorised Variations of TZS 1.18 Billion

Reg. 110(3) of Public Procurement Regulations 2013 (Amended by Reg. 36(b) of PPR, 2016) requires the procuring entity to refer to the Tender Board the variations arising out of the contract and which alter the scope, extent or intention of the contract before issuing instructions to the tenderer.

I tested the sampled contracts and noted that the Agency issued variations of TZS 1.18 billion for five contracts without Tender Boards approval. These five regional offices had no Delegated Tender Boards for overseeing the procurement proceedings. The details are in **Table 76** below.

Table 76: Contracts with Unauthorised Variations

District	Project name	Project sum (TZS)	Reason for variation	Variation (TZS)
Bunda	Water supply piped scheme for Kinyambwiga	923,274,426	Change of water source from Lake Victoria to Nyabehu-Bunda gravity raising main	-
Kahama	Water supply from Mhangu to Ilogi	13,860,873,200	Rock excavation (laterite rocks and granite rocks)	1,122,883,516
Karagwe	Kiruruma Water project	385,000,000	Construction of Domestic Points and chambers	15,190,000
Ukerewe	Water supply system at M-riti - Ihebo	1,200,000,000	Excavation of Pump House, Chamber Pit and Hiring of wheel roader, operator and fuel costs	33,500,000
Handeni	Kwandugwa water project	1,025,896,307	Construction of 150m3 tank, pump house and water stations	7,497,000
Total		17,395,043,933		1,179,070,516

Source: CCMPA MLs 2020/21

In the interview with RUWASA Management, I noted that the variations were due to inadequate estimation of quantities and design of projects.

In my opinion, procurements and changes made after signing contracts without Tender Board's approval are ineligible and could result in fruitless variations and poor quality of materials and works. Hence, loss of public funds.

I recommend that, in future, the Agency ensures Tender Boards approve the variations and procurement of materials. In addition, undertake thorough site investigations with all stakeholders (including end-users) to identify and manage risks. Also, adopt assistive technologies such as Building Information Modelling (BIM) to improve designs coordination and reduce unnecessary variations.

10.4 Quality Management Aspect

Projects delivered within budget and on time are not successful if the quality is poor. Quality management identifies and follows quality requirements, performs measurements to control quality, and manages project changes.

10.4.1 Unproductive, Abandoned and Non-Functioning Water Infrastructures

I visited the Nguruka water project in Uvinza, which Excess construction Co. Ltd implemented. The community was not using 31 Domestic Points (DPs) (56%) out of 55 because of incomplete connections from the main distributions to the DPs. I also found 24 unused DPs because beneficiary communities were not ready to purchase water. Instead, they were getting water from local well-pits. Site visit of the construction of the pumped and piped water supply system at Chipaka Street (Tunduma TC) by Lugayila Company LTD and the construction of a new water supply project by Emirate's builders Co. Ltd at Hombolo Bwawani' A' noted three non-functioning DPs in each project.

Further review of IPCs noted that the Agency paid contractors TZS 55.50 million (TZS 1.50 million for each of 37 DPs). **Table 79** below shows more details.

Table 77: Non-functioning Development Projects

Nguruka	
Unused DPs as the communities were not ready to purchase water. Instead, they were getting water from the local well and insisted on the free delivery of water	
	
3 Unused DPs as the communities were not ready to purchase water. They were getting water from a local well and insisted on free water services.	7 unused DP point at Nyangabo as a result of incomplete connections from the main distributions to the DP
	

Source: Site visit

In constructing five boreholes at Wegero, Buswahili, Baranga, Nyambili and Sirorisimba villages in Butiama DC, I noted that the Agency spent TZS 42.25 million for two unproductive boreholes. This is against Clause 50.1 of the General Condition of the Contract, which needs the employer to retain payment (TZS 42.25 million in this case) from the contractor until completion of the works.

In a rare case, I noted that out of connected 198 distribution points, only 75 (38%) were in use, and 123 (62%) were not in use at Nyamirembe, Imalabupina and Ichwankima water project in Chato District. I also found that the Agency had paid TZS 217 million to construct a borehole pumped pipe scheme in Mandawa village (Nachingwea). However, the project was not producing water for the community.

34 unused DPs and three unproductive boreholes deprived the intended water services to the communities. Besides, the projects are irrelevant, and their sustainability is questionable because their objectives did not meet the beneficiaries' needs and expectations. In addition, it has resulted in a loss of TZS 314 million¹¹.

I recommend that management ensure productivity of 34 DPs for the project's relevance and adequately conduct the need assessment for efficient utilisation of public resources and endeavours' effectiveness. Also, the management should take proper actions against the responsible staff who approved projects and payments.

10.4.2 Consumption of Water Before Testing

Para 5.4.4.2. (Frequency of sampling) of Tanzania Water Standards: Clean and Safe Water -ests - TZS 789: 2018, requires all types of waters to be tested at least twice per year (dry and rainy condition). Also, Table 4: (Frequency of sampling) and Para 6.1. (e) require surface water (lakes, rivers, springs, dams) to be monitored by testing every two weeks to 1 month depending on the population. If the result of bacteriological examination indicates faecal pollution, the entity shall re-examine the water supply in question within a fortnight, at the latest, irrespective of the type of source or population served.

I noted that RUWASA detected bacterial contamination, 21 faecal coli in 100mL of water on 10 May 2018 at Nguruka intake (Uvinza), unsatisfactory compared to the requirement of 0 per 100 mL of water at 37⁰ and 44⁰ degrees. However, I noted that RUWASA monitored the microbiological quality requirements in November 2019 and December 2020, contrary to the provisions requiring monitoring every two weeks.

Further, Table 3.1 of the same standard shows that the tested parameters during the development of the source/intake to include Arsenic, Barium, Boron, Aluminium, Cadmium, Chromium, Lead, Selenium, Uranium, Fluoride, Cyanide, Copper, Mercury, Zinc, Dissolved oxygen. However, the Agency did not test the parameters at all. I further noted a low salinity and high concentration of iron in Kisimani-Newala for Rivango-Makong'onda on

¹¹ TZS 55,500,000 + TZS 42,255,000 + TZS 217,196,845

18 June 2020. However, RUWASA did not monitor microbiological quality requirements. Inadequate testing and monitoring of water quality could lead to health risks to the community.

I recommend the management monitor water quality and safety regularly to prevent outbreaks of diseases from using unsafe water. In addition, develop and implement a water quality monitoring plan under the Ministry's Water Quality Monitoring Guidelines, 2004 and 2018.

10.4.3 Water Sources (Intakes) not Protected from Human Activities

Para 9.1.2(b)(v) of the Design, Construction Supervision, Operation & Maintenance (DCOM) Manual Volume I, 2020 for the design of water supply projects requires to place water intakes at a location that is free from pollution. It is better to provide the intake at a location reasonably far from settlements not to contaminate the water.

In addition, Para 2.7 of Ministry of Water Design Manual for Water Supply and Waste-Water Disposal, Third Edition Volume I & II (design section), March 2007, requires all intake works areas to have restricted access and be fenced. In the case of river intakes should be at least 100 m upstream and 50 m downstream. No cattle watering in the river upstream of the abstraction point should be allowed.

I visited the Kiruruma- Kamagambo-Biyungu water project worth TZS 385 million in Karagwe District implemented by Force Account and construction of pumping piped scheme for Iyula, Igale, Lumbila, Senjere and Ipyana villages worth TZS 5.14 billion in Mbozi District constructed by M/s STC Construction Co. LTD. I noted that the projects had reliable natural water sources. However, the water sources were not fenced, and communities were participating in domestic activities around the intakes, including livestock grazing and paving the way around the intakes, which hindered water safety and sustainability of the project.

I further noted the absence of mud-infiltration infrastructure, which caused the source to be covered with mud and sand during the rainy season.

This exposes the projects to non-sustainability risk, polluted water and wastes of public resources. It also led to water contamination, mud, and other unhealthy particles.

I recommend RUWASA Management to secure and protect water sources from domestic activities in collaboration with the community.

10.4.4 Procurement of Water Pumps Worth TZS 104 million Without Being Tested and Used

Reg. 244 (1) of PPR, 2013 requires the procuring entity to inspect and test sampled delivered goods and reject them if they are below the contract's standards.

As shown in Table 78 below, I noted four cases where the Agency procured water pumps worth TZS 104 million without being tested and were yet to be used up to the time of the audit.

Table 78: Untested and Unused Water Pumps

District	Project name	Pump price (TZS)	Anomalies
Muleba	Rehabilitation of Nshamba Water project	33,028,152	Site visit on 20 October 2021 (Four months after installation) noted the pump was installed but never tested and used.
Uvinza	Construction of pumping water supply system in Nguruka	33,750,000	The Agency installed a pump for standby operations. However, it has never been used or removed for servicing.
Ukerewe	Construction of water supply system at M-riti - Ihebo	20,789,796	Up to December 2021 (18 months later), the pump was neither tested nor installed
Sikonge	Rehabilitation of water project at Muwalle	16,722,043	The Agency did not install the pump since the installed solar power could not run the pump.
Total		104,289,991	

Source: CCMPA MLs 2020/21

Since contracts were completed, malfunctioning of procured pumps could result in a loss of TZS 104 million. Besides, the Agency delayed water services to the communities.

Since the pumps were not in use up to December 2021, I recommend that management tests and put them into use for the effectiveness of the project and efficient use of public resources. In future, test for any procured technical equipment before being used.

10.1.1 Executed Works of TZS 404 Million Paid Without being Measured

Reg. 243(2) of PPR, 2013 requires procuring entities to authorise payments according to the measurement and certification at the intervals or stages

indicated in the contracts. Further, Clause 44.4 of GCC for contract No. LGA/068/W/20/2017/2018/20 states that “the value of work executed shall comprise the value of the quantities of the items in the bill of quantities completed”.

My review of payment vouchers and contract files for constructing a water supply piped scheme for Nyambori village worth TZS 847 million noted RUWASA certified and paid TZS 404 million to the contractor for executed works. However, there were no measurement sheets to justify the quantities of completed works paid.

In my opinion, certifying payments without inspecting and quantifying the executed works could lead to overpayment or payment for works not performed hence loss of public funds.

I recommend the Agency inspect and measure quantities of completed works before certifying payments to avoid overpayments and payments of unexecuted works.

10.5 Resources Management Aspect

It is about acquiring, allocating and managing individuals and their skills, finances, technology, materials, machinery and natural resources required for a project to ensure that they are used effectively on time and within budget. The following are findings related to this aspect.

10.5.1 Projects of TZS 23 Billion were Inadequately Designed and Implemented, causing a Loss of TZS 3.6 Billion

Para 1.1.4.3 (e) of the Ministry of Water, Design Manual, March 2007 requires Population Forecasting and Projections Design population to be given much care and attention because it is a significant component of water demand. In addition, Para 1.2.1 requires data collection to be given high priority at all stages of project implementation. Furthermore, Para 1.3.1 also needs the topographical survey to be the basis for the design and construction of the proposed water supply project and should be carried out most thoroughly and as accurate as possible.

A review on sampled contracts noted six cases where RUWASA costed the Government a total of TZS 3.56 billion due to inadequate projects design, as shown in **Table 79** below.

Table 79: Loss due to Inadequate Design

District	Project name	Remarks	Cause	Delay	Loss (TZS)
Kilolo	Ruaha Mbuyuni Water Project	Construction of a water tank with a volume of 75 cubic metres based on 2012 population and not 2017 population led to a second 75cum tank for Msosa village, which was initially omitted in the design	Inadequate design	The project end date was 5.12.2020. In December 2021, the project was still uncompleted	8,400,000
Kahama	Piped water supply from Mhangu to Ilogi village in Msalala	Design overlooked soil type, and crossing river Nyugwa led to project scope change to the tune of TZS 89,793,434 (Backfill activity in 4678m cost TZS 48,043,434, and concrete steel cost TZS 41,750,000)	Supposed to end 07.12.2018 but was completed in 2021	Inadequate feasibility	89,793,434
Makete	Improvement of Igolwa water supply project village	The design did not consider the presence of rolling terrain with prolonged swampy areas and the unavailability of billed inside coated steel pipes in the market. Hence, it resulted in a contract cost increase.	Inadequate design	The Agency was to complete the project on 14 November 2019. However, up to December 2021, it was still ongoing	417,298,402
Hai	Supply of materials and works for the extension of the Losaa Kia water project	The initial design used pressure pipes HDPE DN 63 for 10000m, each TZS 12,500. However, management then changed the design from HDPE DN 63 to 110mm PN 10, which increased the cost by TZS 172,000,000	Supposed to end 27.11.2017 but was completed on 19 October 2019	Shortage of personnel	172,000,000
Namtumbo	Construction of water	Contract price changed from TZS 2,682,586,038 to TZS 4,459,050,910	Supposed to end 15.11.20	Consultant	1,776,464,872

Distri ct	Project name	Remarks	Cause	Delay	Loss (TZS)
	supply at Luhimb- lilo - Naikesi Villages	due to errors that occurred in the project design	18 but not complete d	incompet ence	
Chato	Constructi on of nyamirem be, imalabupi na and ichwankim a water project	The project used pipes with a diameter of 110mm from the booster station to the Kachwamba village water tank and pipes with a diameter of 90mm from the booster station to the Ipandikilo village water tank. However, low pumping speed was inadequate during testing to fill the tanks, while high speed led to pipes bursting. Therefore, new HDPE PE 100 PN20 OD (32mm, 140mm and 200mm) are required.	Supposed to end 11.05.20 18 but not complete d up to Novembe r	Inadequa te design	1,100,011,500
Total					3,563,968,208

Source: CCMPA MLs 2020/21

The Government did not achieve its objectives of increasing the proportion of the rural population getting safe water from improved water sources due to excessive delay in projects completion. Besides, inadequate planning has costed the Government TZS 3.6 billion, and costs may increase because most of the projects are ongoing.

In future, the Agency should study and obtain proof that the implemented projects are feasible economically, technically, financially, socially, culturally, environmentally and institutionally. For the successful implementation and operation of the project, pre-study should involve investigations and data collection, population and demand forecasting, water pressure and quality considerations. In addition, geological, hydrogeological and topographical surveys, satellite images, maps, and Digital Terrain Models.

10.5.2 Procurement of Unnecessary Excess Building Materials Worth TZS 479 million

Section 24.2 of Guidelines for Carrying Out Works Under Force Account, 2020 states, “the construction materials to be procured shall conform to the schedule of requirements and stated specifications approved by Project Manager”.

My review of payment vouchers and schedule of materials for the Nduku-Busangi water project in Kahama noted that RUWASA procured pipes and other building materials worth TZS 728 million above the schedule of requirements by TZS 479 million.

Interview with the Management noted that the exceeded procured materials were for the execution of phase II projects. However, phase II of the project was yet to be started, and there were no drawings, schedule of requirements, specifications and budget.

In my view, purchasing materials above the required amount has resulted in project cost overrun. Besides, a shortage of funds has resulted in project implementation delays of more than four months up to November 2021.

To ensure the effectiveness of projects, RUWASA should ensure phase I is completed before initiating phase II procurement proceedings. RUWASA should procure materials per the approved schedule of requirements for efficient use of public funds.

10.6 Procurement Management Aspect

Procurement management is the strategic approach to optimising project spending. Procurement plays a critical role in maintaining high quality, low cost, and required timeline. The following are the findings emanating from this aspect

10.6.1 Unfair Disqualification of the Lowest Bidders Denied a Chance to Save TZS 310 million

Reg. 203 (1) of PPR, 2013 requires tender evaluation to be consistent with the terms and conditions prescribed in the tender documents and using criteria explicitly stated in the tender documents.

A review of evaluation reports for five tenders in four RUWASA district offices noted that bidders were awarded tenders at higher prices and eliminated bidders with the lowest prices without justifications, as shown in Table 80.

Table 80: Loss Resulted from Irregular Disqualifications

District	Project name	Project sum (TZS)	Evaluation results	Loss (TZS)
Busega	Extension of Nyashimo water supply scheme at Busega	422,804,453	Rejection of four bidders at the preliminary evaluation stage since their bids were higher than the engineer's estimate (TZS 80,391,000)	-
	Construct ion of Mwabaya nda water supply project	392,554,262	The contract was awarded to the highest bid of TZS 73,971,200 without justifications and eliminated the lowest bidder with TZS 60,555,000	13,416,200
Njombe	Construct ion of gravity scheme Igongwi group (Lot 1)	4,307,798,503	Agency eliminated the lowest bidder with TZS 3,742,383,568 and awarded the contract to TZS 3,890,500,000 bid and failed to save TZS 148,116,532	148,116,532
Mpimbwe	Construct ion of Mamba-Majimoto water supply	929,702,562	Elimination of two bidders for not submitting vocational training certificates. However, the solicitation document and advertisement did not set the criteria used for disqualification	-
Gairo	Construct ion of Piped Water Supply for Makuyu/C hiwaga Village	745,530,692	Agency awarded a contract with a price of TZS 744,476,067, while the lowest bid was TZS 595,710,869, denying the opportunity to save TZS 148,765,197	148,765,197
Total		6,798,390,472		310,297,929

Source: CCMPS MLs 2020/21

In my opinion, using evaluation criteria not included in tender documents and uneven evaluation criteria had resulted in the elimination of the lowest bidders hence denying Councils the opportunity to save TZS 310 million.

I recommend the management of RUWASA conduct future evaluations using the criteria provided in the tender document. In addition, Accounting Officers and Tender Boards are to be held accountable for the loss caused.

10.6.2 Failure of the Agency to Recover TZS 687 million from the Contractor

Para 62.1 of the General Conditions of the Contract No. LGA-029/2013-2014/W/45/23 gives the employer (Agency) the right to terminate the contract if the contractor causes a fundamental breach of contract, including failure to discharge duties.

I reviewed contract files for Sawala - Mt-ango - Lufuna and Kibao pumping water supply project at Mufindi District. I noted that the Agency terminated the contract with M/S Siha Enterprises Co. Ltd (JV) Mavonda's Co. Ltd on 9 April 2019 due to failure to discharge his duties. The final account evaluation found that the contractor had to pay the Council and later the Agency TZS 406 million on 06 June 2019 (within 60 days). However, up to November 2021, the said amount was yet to be paid.

Similarly, the performance bond with policy No. 010/027/1/001295/2018 from M/s MGen Tanzania Insurance Co. Ltd requires the employer to be compensated TZS 270 million in case the contractor fails to perform. Also, RUWASA claimed TZS 10 million for transport and disturbance allowance in making follow-ups, making a total debt of TZS 687 million from the contractor and the insurance company.

Failure of the Contractor to perform its duties implies that the evaluation was not practical enough to ascertain the contractor capability. Indeed, this caused the delay of the water services to the community and could result in a possible loss of TZS 687 million and other contingent costs from the ongoing legal dispute.

For efficient use of public resources and achieving project objectives, Management and Accounting officer are accountable for awarding

contracts to a competent contractor. I further urge the Agency to recover a sum of TZS 687 million.

10.6.3 Contract Worth TZS 5 billion Awarded to an Ineligible Contractor

Section 21(3) and 6(5) of the Contractors Registration Act of 1997 require contractors to provide services in their registered categories as per class limit. Any contractor doing works above the class limit without obtaining dispensation from the Board commits an offence punishable by a fine of one million shillings. In addition, Table 1 (Limitation of grades for various contractors) classifies public works worth TZS 5 billion to the limit for class one contractors.

Review of the evaluation report for contract No. LGA/073/2016/2017/W/11 for Construction of Gravity Main Piped Scheme in Iyula Village (Mbozi) worth TZS 5.14 billion noted the Agency awarded the contract class three civil contractor (M/S STC Construction Co. LTD) instead of class one.

In my opinion, awarding the contract to an ineligible contractor has delayed completing a project for 43 months (from 31 October 2017 up to 30 May 2021). Besides, the delay could lead to cost overrun due to inflation since the contractor was only paid TZS 2.74 billion up to December 2021.

I recommend the Agency ensure that contracts are awarded to qualified contractors to guarantee smooth execution of projects and achieve Value for Money.

10.6.4 Delayed Payments which Could have Attracted the Interest of TZS 1.52 billion

Reg. 44(1) of PPR, 2013 states, “for purposes of supporting the growth of local firms and enabling such firms to meet their contractual obligations, procuring entities shall ensure timely payments to the tenderers”. Moreover, clause 51.1 of GCC for STD, 2018 requires employers to pay contractors the amount certified by the Project Managers within 28 days from the date of each certificate. Late payments shall attract interest in the next payment at the prevailing interest rate for commercial borrowing.

I examined the contractor’s claims against the payment vouchers and noted that the Agency paid TZS 11.11 billion late for the period ranging from 20 to 488 days. The delay could have attracted the interest of TZS 1.52 billion

if claimed. Certainly, this has become a tendency because the Agency made late payments of TZS 11.6 billion last year. **Table 81** below shows the details of late payments.



Table 81: Contracts with Delayed Payments

RUWASA District	Project name	Contractor	Project sum (TZS)	IPCs Amount (TZS)	% Of contract	Delay (Days)	Possible interest (TZS) (Commercial interest rate 13.66%)
Maswa	Borehole for Nguliguli Mwananenge	M/s Jointa investment.Co. ltd	961,387,083	215,770,395	22	240	29,474,236
Bunda	Water supply piped scheme for Kinyambwiga	M/s Maginga Business Holding Co. Ltd	923,274,426	419,063,727	45	30 to 300	57,244,105
	Nyatwali piped water supply scheme	Ndeenengo Co. Ltd	587,726,378	420,097,322	71	270 to 300	57,385,294
Kahama	Water supply from Mhangu to Ilogi	Beijing Construction Engineering Group Co. Ltd	13,860,873,200	2,987,161,283	22	57 to 154	
	Nduku-Busangi Water Supply Project Phase I	Force Account (Local fundis)	3,560,000,000	641,901,436	18	60 to 360	408,046,231
Makete	Igolwa water supply project	Harfre Tech(T) Ltd	807,719,000	726,331,720	90	76 to 488	87,683,736
Uvinza	Water Supply System in Nguruka	Excess Co. Ltd	2,873,196,856	1,253,053,083	44	52 to 125	99,216,913
Buhigwe	Water supply system for Kavomo to Bwega	Mbesso Co. Ltd	1,815,937,056	734,268,378	40	231 to 250	171,167,051
Mpimbwe	Mamba-Majimoto water supply	Force Account (Local fundis)	929,702,562	357,938,423	39	45 to 146	100,301,060
Kilindi	Construction of Small DAM pumped water project for Balanga and Jungu	M/S Matala Construction	2,593,835,154	155,763,728	6	360	48,894,389
Masasi	Rehabilitation of piped scheme for	Singilimo Enterprises	1,415,330,309	424,970,946	30	26 to 120	21,277,325
							58,051,031

RUWASA District	Project name	Contractor	Project sum (TZS)	IPCs Amount (TZS)	% Of contract	Delay (Days)	Possible interest (TZS) (Commercial interest rate 13.66%)
	Makong'onda to Rivango						
Dodoma	water supply project at Hombolo Bwawani 'A'.	Emirates Builders	690,382,159	267,220,070	39	21 to 55	
Namtumbo	Construction of water supply at Luhimbalito - Naikesi	Ms Ockra construction Co. Ltd	2,682,586,038	626,697,022	23	250 to 437	36,502,262
Rungwe	Masoko, Lufumbi water supply project	Msukwa General Enterprises Co. Ltd Jv Kibaha Building & Civil Contractors Ltd.	1,260,061,273	1,209,723,240	96	62 to 112	85,606,813
Chato	Nyamirembe, imalabupina and ichwankima water project	Ndee nengo Senguo Co. Ltd	3,984,523,550	671,000,760	17	90 to 120	165,248,195
Total			38,946,535,043	11,110,961,533			91,658,704
							1,517,757,345

Source: CCMPA MLs 2020/21

In my opinion, delay in payments has resulted in projects completion delays for a maximum of two years and hence denied timely provision of intended services to beneficiaries. It could further result in to increase in project cost due to interest.

Drastic changes are needed to ensure that funds are available to deliver services to citizens timeously. I advise the Ministry to review and evaluate the efficiency and effectiveness of the centralised payment system for water projects.

10.6.5 The Agency is Executing 11 Unsecured Projects worth TZS 12.5 Billion

Reg. 29 of PPR, 2013 requires procuring entities to demand from successful tenderers performance securities to guarantee the faithful performance of the contracts and payment of all labourers, suppliers, mechanics, and subcontractors, if any. In addition, Clause 54 of GCC requires the performance security to cover the whole contract period and be valid until one year from the date of issue of the completion certificate.

My audit of procurement records noted that 11 contracts worth TZS 12.51 billion were executed either without performance securities or with expired performance securities, as shown in **Table 82** below.

Table 82: Contracts Executed Without Performance Securities

District	Project name	Project sum (TZS)	Duration without bond	Required Bond value (TZS)
Maswa	Borehole for Nguliguli - Mwamanenge	961,387,083	Up to December 2021 (48 months)	96,138,708
Bunda	Nyatwali piped water supply scheme	587,726,378	Up to December, 2,021 (24 months)	58,772,638
Rorya	Water supply piped scheme	714,448,900	Up to December, 2021 (84 months)	71,444,890
	Nyarombo Water Supply Project Scheme	847,572,546	Up to December, 2021 (48 months)	84,757,255
Ushetu	Construction of Igunda water project	484,837,480	Up to December, 2021 (20 months)	48,483,748
Arumeru	Losikito Pumping Water Supply Project	788,567,686	Up to December, 2021 (36 months)	78,856,769

District	Project name	Project sum (TZS)	Duration without bond	Required Bond value (TZS)
Arumeru	Losikito Pumping Water Supply Project	2,203,683,984		220,368,398
Mlele	Water project at Inyonga town	746,122,743	Up to December 2021 (38 months)	74,612,274
Namtumbo	Water supply at Luhimbalilo-Naikesi	2,682,586,038	Up to November 2021 (37 months)	268,258,604
Rungwe	Masoko, Lufumbi scheme water supply project	1,260,061,273	16 months without performance bond	126,006,127
Mbogwe	Water supply scheme in Kabanga - Nhomolwa	1,239,808,334	Up to December 2021 (12 months)	123,980,833
Total		12,516,802,446		1,251,680,245

Source: CCMPA MLs 2020/21

The absence of performance securities exposes the project to the risk of financial loss of TZS 1.25 billion in the event of the contractor's failure to perform its obligations under the contract.

I recommend the Agency to ensure contractors renew performance securities at the time of the extension of the contract. In future, ensure all contracts are secured for the entire period to avoid loss of public resources and safeguard the Agency's interests towards successful implementation of projects.

10.6.6 Agency Implemented Contracts worth 2.46 billion with Unregistered Joint Ventures

Sec. 22 (4) of the Contractors Registration Act, CAP 235 (amended 2015) states that "an employer who engages unregistered firms commits an offence". And on conviction is liable to a fine of not exceeding 10% of the contract sum or but not less than 1% of such contract sum or five million shillings whichever amount is greater or to imprisonment for a term of not less than three years or both".

A review of contract files and bid documents noted two cases where the Agency entered into a contract worth TZS 2.46 billion with unregistered

joint ventures. I further found there is a possibility of the Agency to lose TZS 246 million upon conviction. **Table 83** below show more details.

Table 83: Contracts implemented by unregistered joint ventures

District	Project name	Project sum (TZS)	Possible penalty (TZS)
Mbozi	Piped Water Scheme from Itewe to Itaka	1,674,145,006	167,414,501
Arumeru	Losikito Pumping Water Supply Project	788,567,686	78,856,769
Total		2,462,712,692	246,271,269

Source: CCMPS MLs 2020/21

In my opinion, awarding tenders to unregistered contractors expose the Agency to the risk of losing funds due to possible fines of TZS 246 million (10% of total contracts prices). In addition, it could lead to further loss in case of legal disputes when the Contractors default.

I recommend the management enters into a contract with registered Joint Ventures to avoid possible loss of public funds and delays in providing water services to the community.

10.6.7 Missing Procurement Proceedings Documents for Projects Worth TZS 42.01 Billion

Reg. 15(1) (b-d) and (6) of PPR, 2013 requires procuring entities to maintain a record of procurement proceedings including invitations, tenderers selection, and awarding procedures for not less than five years from the date of completion of a contract.

In reviewing tender and contracts files of the sampled contracts, I noted the absence of essential documents for procurement proceedings for 19 contracts. The cases of missing procurement records have increased compared to 2019/20, where only one contract had missing documents. **Table 86** below indicates the missing records.

Table 84: Projects with Missing Documents

RUWASA District	Project name	Project sum (TZS)	Missing documents
Momba	Water Supply System at Chipaka Street	418,420,684	Tendering procedures documents for this contract from the time of advertisement to the award of contract
	Chapwa Mpemba Katete Water Supply Project	561,000,000	
Mbozi	Pumping Main Piped Scheme from Itewe to Itaka	1,674,145,006	

RUWASA District	Project name	Project sum (TZS)	Missing documents
	Gravity Main piped Scheme from Iyula	5,139,543,868	
Bunda	Water supply for Kinyambwiga	923,274,426	
Kilolo	Ruaha Mbuyuni Water Project	1,159,996,000	Contracts, action plans, progress reports, and BOQs
Kahama	Water supply from Mhangu to Ilogi village in Msalala	13,860,873,200	Reports, Variation order, engineer's estimate and IPCs
Njombe	Construction of gravity scheme Igongwi group (Lot 1)	4,307,798,503	Tender documents, evaluation report, Negotiation and finance minutes
Arumeru	Losikito Pumping Water Supply (Distribution)	788,567,686	Tender documents, Evaluation report and Bid register
Arumeru	Losikito Pumping Water Supply (Main)	2,203,683,984	
Ngorongoro	Digodigo Village Water	500,638,795	
Karagwe	Rehabilitation of Kiruruma Water	385,000,000	Bids, negotiation plan and TB minutes
Uvinza	Water Supply System in Nguruka	2,873,196,856	Tendering procedures documents for this contract from the time of advertisement to the award of contract
Buhigwe	Water supply system for Kavomo, Mulera, Buhigwe and Bwega	1,815,937,056	
Same	Water supply projects in Kasapo and Makanya	747,949,980	
Mlele	Water project at Inyonga	746,122,743	Two bids
Masasi	Rehabilitation of piped scheme for Makong'onda to Rivango	1,415,330,309	Tendering procedures documents for this contract the from time of advertisement to award of contract
Dodoma	Water supply project at Hombolo Bwawani' A'.	690,382,159	
Kisarawe	Completion of Chole-Kwala water supply	1,798,061,642	Evaluation committee appointment letters and reports, bids and its register
Total		42,009,922,897	

Source: CCMPA MLs 2020/21

In my opinion, the absence of tender proceedings documents has limited the scope of my audit. It also implies violating honesty, integrity, transparency, and accountability procurement principles.

I recommend the management submit the missing documents to my office for further examination and in the future to properly keep all procurement documents for references and other audit purposes.

10.7 Risk Management Aspect

It identifies, assesses and controls threats to projects' objectives. The risks vary from financial uncertainties, legal liabilities, technology issues, strategic management errors, accidents to natural disasters. The following are significant findings on this aspect

10.7.1 Failure to Assess the Environmental Impact for Projects Worth TZS 13.79 billion

Regulation (Reg.) 241(3) of Public Procurement Regulation (PPR), 2013 and Section (Sec.) 81(2) of the Environmental Management Act (EMA), 2004 require a procuring entity to assess the impact on the environment at the planning stage before commencement or financing of a project.

I noted 15 cases (20% of the sampled contracts) where the Agency implemented contracts worth TZS 13.79 billion without conducting an Environmental Impact Assessment (EIA). **Table 85** below shows more details.

Table 85: Projects Implemented Without EIA

District	Project name	Project sum (TZS)
Maswa	Borehole pumped piped water supply scheme for Nguliguli - Mwamanenge villages	961,387,083
Butiama	Borehole Drilling at Wegero, Baranga, Buswahili, Nyambili and Sirorisimba	158,732,420
Bunda	Nyatwali piped water supply scheme	587,726,378
Rorya	Construction of water supply piped scheme	714,448,900
	Construction Nyarombo Water Supply Project Scheme	847,572,546
Ushetu	Construction of Igunda water project	484,837,480
Mlele	Construction of ground reinforced storage tank of 1,000m3 capacity and procurement and installation of a solar plant at Inyonga town	746,122,743
Gairo	Water Supply and Civil Works for Makuyu/Chiwaga Village	745,530,692
Kilindi	Water supply scheme for Balanga and Jungu Villages.	2,593,835,154
Handeni	Kwandugwa water project	1,025,896,307
Dodoma	Water supply project at Hombolo Bwawani 'A'.	690,382,159
Sikonge	Rehabilitation of 03 hand pump at Mwanamkata, Mole and Muungano, Extension of Zugimlele water supply project to Kiyombo Village	143,821,032
Uyui	Water project at Muwalle Village, Ufuluma chini, ufluma lyogelo, Kizengi and Lutende Village, Rehabilitation of Seven wells at Shitage, Mhulidede, Chessa, Imala, Uduki, Izugawima, Kalangele and Ugowola	158,805,940
Kalambo	Matai town water supply scheme in Kalambo District	1,628,724,447

District	Project name	Project sum (TZS)
Chunya	Water storage tank domestic points, Pump and Pipeworks infrastructures for Matwiga & Isangawana	2,300,000,000
Total		13,787,823,281

Source: CCMPA MLs 2020/21

Implementing projects without Environmental Impact Assessment could lead to adverse environmental effects like soil, water or air degradation and changes that reduce flora or fauna habitat. Hence, affect the well-being of the communities.

For project sustainability, avoiding impact on the environment and loss of public resources, the Agency should conduct an Environmental Impact Assessment before the commencement of the projects.

10.7.2 Projects Worth TZS 3.32 billion Implemented without Insurance Cover

Clause 14.1-3 of GCC for the contracts and clause 16.1-3 of the standard tendering document require contractors to provide insurance cover for risks from the start date to the end of the defect's liability period. If not, the employer pays for the insurance and recovers the premiums from contractor payments. If no payment is due, the payment of the premiums shall be a debt.

I noted that RUWASA district offices implemented five contracts worth TZS 3.32 billion without being insured, as detailed in **Table 86** below.

Table 86: Contracts Implemented Without Insurance Covers

District	Project name	Project sum (TZS)
Bunda	Construction of Nyatwali piped water Project	587,726,378
Ushetu	Construction of Igunda water project	484,837,480
Makete	Improvement of Igolwa water supply project	807,719,000
Mlele	Construction of water project at Inyonga	746,122,743
Dodoma	Construction of water project at Hombolo Bwawani' A'.	690,382,159
Total		3,316,787,760

Source: CCMPA MLs 2020/21

In my opinion, the absence of insurance covers exposes the Agency to the risks of projects delay, cost overrun, and poor quality of work if insurable events occur.

I recommend the Agency cover future projects with insurance to avoid delays in the project's implementation and loss of public resources.

10.8 Stakeholder's Management Aspect

Managing conflicting interests and involving stakeholders in critical project decisions and activities is crucial. The following are findings related to this aspect

10.8.1 Initiation of Projects Worth TZS 3.76 billion Without Feasibility Study and Needs Assessment

Para 2.3.1.2.1 of the Design, Construction Supervision, Operation & Maintenance (DCOM) Manual Volume I, 2020 for the design of water supply projects requires the implementing Agency to complete a community-wide needs assessment by engaging the community in identifying and prioritising all long-range goals and the community problems preventing the goals' achievement. In addition, Reg. 168(1)(a) of PPR, 2013 requires for the sustainability and achievement of project social objectives, the implementing entities engage the local communities.

A review of project files noted that the Agency did not assess community needs for three projects. As a result, Ijumbi village refused to be part of the Nshamba project because they claimed to have their local water sources to meet their needs. On the other hand, I noted unresolved compensations claims, initiation of agricultural activities within 60m from water sources and destruction of water distribution networks in the Hombolo project, which threatens the project sustainability. Details are in **Table 87** below.

Table 87: Projects Initiated Without Feasibility Studies and Assessment

Region	RUWASA District	Project name	Project sum (TZS)
Kagera	Muleba	Nshamba Water project	770,865,340
Dodoma	Dodoma	Water supply project at Hombolo Bwawani 'A'.	690,382,159
Mbeya	Chunya	Water project for Matwiga & Isangawana villages	2,300,000,000
Total			3,761,247,499

Source: CCMPA MLs 2020/21

In my opinion, failure to conduct a need assessment could result in vandalism of water infrastructures, affecting the project's sustainability. Besides, the project was irrelevant to Ijumbi village since the projects' objectives did not meet the beneficiaries' expectations.

RUWASA should solicit community inputs and knowledge about the project area and gather common understanding through need assessment before project initiation for efficient use of public resources, relevance, sustainability, and effectiveness.

10.8.2 RUWASA Denied 81,938 People from Accessing Water Services

According to RUWASA Action and Projects Plans, it was supposed to implement extension and rehabilitation of the water supply project in Chamwino by June 2020 and Rehabilitation of four pump wells at Kizengi and Lutende Village by June 2021.

For Chamwino's water project, I noted that the Agency received TZS 131 million from the Ministry of Water to implement the water supply project in three villages (Handali, Lugala and Igandu). However, site visits found that 35,479 people were denied water services due to the inadequate design of the projects that led to the collapse of boreholes.

On the other hand, the Agency stopped the rehabilitation of the Kizengi and Lutende water project in Uyui District since the zonal water chemist recommended unsuitable water. In contrast, the Agency had paid TZS 7 million for purchasing pipe joints for the water project. See **Table 88**.

Table 88: Projects Which Failed to Supply Water

District	Village	Amount set (TZS)	Population denied water (Source: 2012 Census)
Chamwino	Handali	53,249,094.33	9,854
	Lugala	58,031,097	10,745
	Igandu	19,905,661.20	14,880
Uyui	Kizengi	7,081,880	21,356
	Lutende		25,103
Total		138,267,732.53	81,938

Source: Project files and NBS website

The Government failed to increase the proportion of the rural population using safe water from improved water sources as the Agency denied water services to 81,938 people. Besides, Agency incurred a fruitless expenditure of TZS 7 million.

I recommend the management adequately design the projects and complete them to provide water services to the community.

10.9 Schedule Management Aspect

It includes managing activities, deliverables, and milestones within a project. It involves time management (plans start and finish date, duration, and resources in each activity).

10.9.1 Project Worth TZS 2.87 billion Implemented Using Expired Design

Para. 1.1.3 of the Ministry of Water Design Manuals for Water Supply and Waste-Water Disposal, Third Edition, Volume I, March 2007, requires the optimum design period to be between 5-10 years and should rarely exceed 20 years. The design period should be categorised as short term five years, future ten years, and ultimate 20 years.

According to table 3 of the water design report (Selected Design Criteria), 2009 designing for 20 years is uneconomical and burdens communities. Consequently, the MoW instructed LGAs to use a 10-year design period; the adopted design is ten years (2009-2019) for all systems.

From the review of design reports and files for the Nguruka Water Project worth TZS 2.87 billion, I noted that Kigoma DC agreed with RODECO to design ten projects, including the Nguruka Project. A project Inception Report (IR) was completed and submitted on 05 October 2009 for implementation. It further took five years up to 01 June 2014 when the Council started implementing the project.

I further noted that the project was to be executed for six months until 30 December 2014. Uvinza DC and RUWASA Kigoma delayed the project completion for five years until 14 May 2019 (10 years which marks the end of the design period).

Initially, the Agency designed the project to serve 43,030 people (estimated 2019 population) with total demand for the public tap of 914m³/day, while the current demand is 1461 m³/day with a population of 68,767 people. Consequently, the project will require a 1000m³ tank and not a built 800m³ storage tank.

Delay in implementing the design and project execution for ten years has resulted in using project design that does not meet the community's water

demand. Besides, the project design needs revision and would cost the Government more money before realising the expected benefits.

I urge the Agency to ensure that the funds are committed before planning and executing a project for relevance, effectiveness, and efficient utilisation of public resources. In addition, the Agency shall revise the design to meet the population and maximum daily demand.

10.9.2 Delays in the Implementation and Completion of Projects Worth TZS 30.53 billion

Clause 20.1 of GCC for STD, 2018 requires the contractors to commence execution of works timely and carry out the works as per the works programs submitted, updated and approved by the Project Managers, and complete them timely.

I noted 18 cases (20% of the sampled contracts) where the Agency delayed completion of projects worth TZS 30.53 billion for the period ranging from 1 month to 9 years, contrary to contracts clauses that require the projects to start and complete within the timeframe specified in the signed contracts. Table 89 below illustrates.

Table 89: Delay in Implementation and Completion of Projects

District	Project name	Project sum (TZS)	Remarks	Delay
Iringa	Construction of Nyamlenge water supply project	640,000,000	The Agency did not complete the project up to 02/11/2021 despite the contract expiring in August 2021	Three months
Kilolo	Ruaha Mbuyuni Water Project	1,159,996,000	The Agency did not complete the project up to December 2021 despite the contract completion on 10 February 2021 and then extended to June 2021	Seven months
	Image Water Project	250,000,000	The project end date was 15 July 2021. However, up to December 2021, the project was still uncompleted	Six months
Mufindi	Construction of Kihata Water Project	2,291,657,915	The project end date was 30 November 2021. However, up to December, the project was still uncompleted	One month

District	Project name	Project sum (TZS)	Remarks	Delay
	Construction of Sawala Water Project	1,650,000,000	The project end date was on 30 November 2021. However, up to December, the project was still uncompleted	One month
	Construction of Nyatwali piped water supply scheme	587,726,378	The project end date was 16/09/2018. However, the project is ongoing until November 2021	Three years two months
Ushetu	Construction of Igunda water project	484,837,480	The project end date was 12 May 2020. However, the project was 43% up to 17 December 2021 even after an extension up to 31 December 2021	One year seven months
Makete	Improvement of Igolwa water supply project village	807,719,000	The project was to be completed on 14 November 2019 then extended to 31 December 2020. However, up to December 2021, the project was ongoing	Two years
Njombe	Construction of gravity scheme Igongwi group (Lot 1)	4,307,798,503	The project end date was 28 December 2019, then extended to 31 December 2020. However, up to December 2021, the project was ongoing	One year seven months
Uvinza	Water Supply System in Nguruka Village	2,873,196,856	The project end date was 25 May 2020. However, as of November 2021, the project was incomplete	One year six months
Buhigwe	Water supply system for Kavomo, Mulera, Buhigwe and Bwega	1,815,937,056	Work commenced on 01 June 2014. The project was to end on 01 May 2015. The project was still ongoing up to December 2021	Seven years eight months
Kilindi	Water supply scheme for Balanga and Jungu	2,593,835,154	The project end date was 30 December 2014. The project ended in June 2021	6.5 years
Mtwara	Piped water supply at Mitambo - Msimbati	1,596,610,000	The project end date was 19 July 2021. In September 2021, the project was still uncompleted	Three months
Masasi	Rehabilitation of piped scheme for Makong'onda to Rivango Villages	1,415,330,309	Work commenced on 25 July 2017 (a delay of 40 days from the signing date. The contract did not explicitly indicate the project's commencement	

District	Project name	Project sum (TZS)	Remarks	Delay
			and intended completion dates	
Sikonge	Rehabilitation of water project at Muwalle Village	143,821,032	The project end date was 29 July 2021. In November 2021, the project was still uncompleted	Three months
Namtumbo	Water supply at Luhimbalilo - Naikesi Villages	2,682,586,038	The project end date was 15 November 2018 and then extended to 18 March 2020. In December 2021, the project was still uncompleted	Three years two months
Mbogwe	Water supply scheme in Kabanga - Nhomolwa Villages	1,239,808,334	The project end date was 06 April 2020 and then extended to 04 March 2021. On 03 December 2021, the project was still uncompleted	One year nine months
Chato	Nyamirembe, imalabupina and Ichwankima water project	3,984,523,550	The project end date was 11 May 2018 and then extended to 12 October 2020. In November 2021, the project was still uncompleted	Three years seven months
Total		30,525,383,606		

Source: CCMPA MLs 2020/21

In my opinion, the delay in project implementation has limited the community from obtaining the expected project's benefits on time. Additionally, it exposes the Agency to a risk of cost overruns due to price fluctuations that could occur.

I recommend the Agency manage projects effectively to avoid delays and cost overruns in the future. Moreover, RUWASA should calculate and impose liquidated damages for the delayed projects. For future improvement, the Ministry should evaluate the performance of 2013/14 and 2017/18 projects and learn the lesson for implementation of future projects.

10.10 Communication Management Aspect

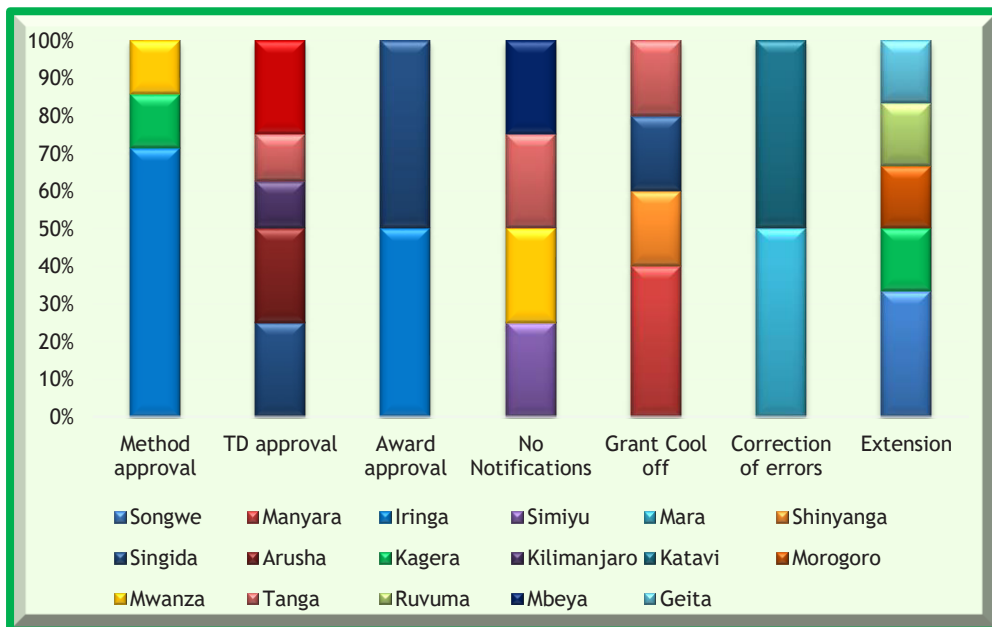
The more effectively you communicate with stakeholders, the more engaged and committed to the project, enabling the project's success. The following are the findings emanated from this aspect

10.10.1 Ineffective and Inefficient Engagement and Communication with the Bidders and Tender Boards

Reg. 12(3) of the PPR, 2013 requires the procuring entity to not discriminate against or among tenderers based on the form in which they transmit or receive documents, notifications, decisions or other communications. In addition, Sub Reg. (4) requires all communications to a tender board to be addressed to the Tender Board's secretary through postal, physical or electronic means.

A review of projects files and Tender Boards minutes noted that 29 (39%) out of 74 implemented contracts had ineffective and inefficient communication and engagement of stakeholders. The Agency did not communicate and engage Tender Boards in reviewing and approving procurement methods, tender documents and award of tenders. On the other hand, the delegated Accounting Officers (Regional Managers) failed to notify the unsuccessful bidders of the award, corrected errors, grant them a cool off period and extension of time to the contractors. **Figure 30** below show more details.

Figure 30: Ineffective and inefficient communication and engagement with stakeholders



Source: CCMPA MLs 2020/21

Failure to give and accept feedback from stakeholders (contractors and TBs) has resulted in projects' delays. Besides, it impaired the transparency and integrity of procurement proceedings.

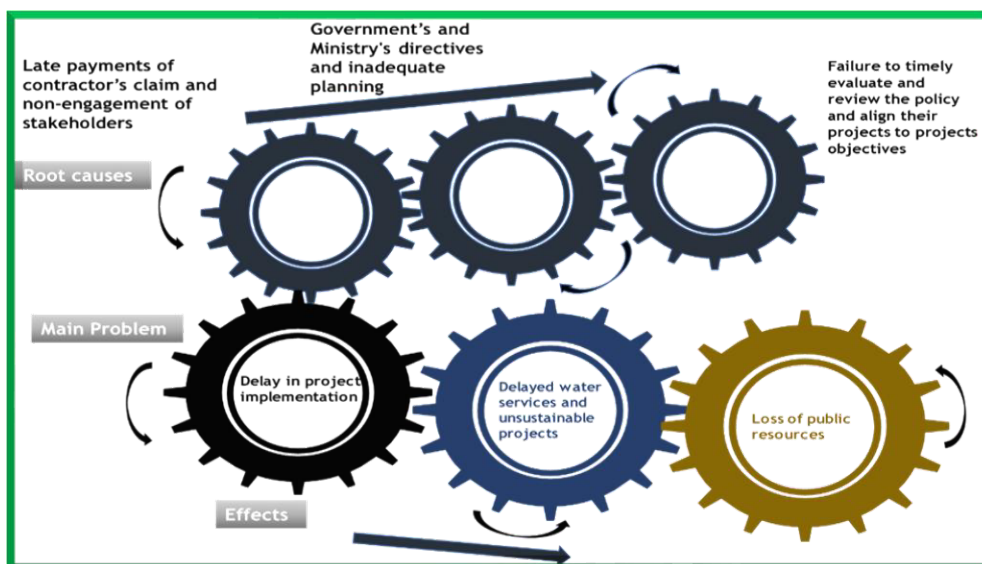
Management should enhance transparency and integrity by ensuring accounting officers notify unsuccessful bidders, grant cool off period and extension of time and approve methods, awards and tender documents.

10.11 Problem Analysis and General recommendation

Since the introduction of the current National Water Policy, 2002, which replaced the 1991 policy, few policy evaluations and reviews have scrutinised the direction of policy implementation, how the objectives are achieved, and the challenges facing. The policy objectives like delivering reliable, sustainable and affordable water and enhancing an efficient and adequate income generation system from the sale of water are also not aligned in projects during implementation.

Figure 31 below elucidate how the late payments of contractor's claim and non-engagement of stakeholders have fuelled delay in projects implementation. As a result, there were delayed water services to the community and unsustainable projects. In the long run, this will cause a loss of public resources due to cost overrun and the rehabilitation of water infrastructures.

Figure 31: Root causes of persistent challenges and their effects



To overcome the consequences of delayed projects, the Agency should invest resources in the pre-project's evaluation and adequate planning. The Government should ensure that the issued directives do not contradict the high-level objectives stipulated in the National Water Policy. In addition, monitor the implementation of policy objectives in the projects and ensure the policy is evaluated and reviewed to match the change of climate, technology and stakeholders demands.



CHAPTER ELEVEN

GOVERNMENT EXECUTIVE AGENCIES, SPECIAL FUNDS, BASIN WATER BODIES AND OTHER INSTITUTIONS

11.0 Introduction

This chapter covers the audit results of 31 Government Executive Agencies, 17 Special Funds, 64 Other Institutions, 29 Basin Water Boards and National Water Supply and Sanitation Authorities.

In this chapter, I have highlighted major cross-cutting and specific issues which need the attention of the government, parliament, ministerial advisory boards and management of the respective entities to ensure the efficient functioning of their operations.

During the financial year 2020/21, I examined Agencies established under the Executive Agencies Act, 1997 and observed that there are several areas in need of improvement with regard to the management of Agencies' operations, finance and projects. The details of the key issues observed are presented hereunder:

11.1 Tanzania Building Agency (TBA)

Tanzania Buildings Agency (TBA) is the Government's Executive Agency under the Ministry of Works and Transport (Works) with a primary mandate of providing quality accommodation to the government and public servants as well as consultancy services with respect to Government buildings. The following anomalies were noted from the review of the Agency operations:

11.1.1 Termination of the Construction Contract due to Underperformance - TZS 6.30 billion

On 04 December 2018, TBA (contractor) signed a contract No. LGA/180/2017-2018/W/11 with the Ubungu Municipal Council (employer) for the proposed construction of Ubungu Municipal Director's Office Block at a contract price of TZS 6,299,997,183.76. The contract commenced on 13 December 2018 and was agreed to end on 13 December 2019 but extended to 22 June 2020.

However, I observed that the Agency did not complete the construction works of the Director's Office Block despite receiving a sum of TZS 3,492,445,130.26 from the Council (equivalent to 55% of the contract sum).

I further noted that the underperformance caused Ubungu Municipal Council to terminate the contract on 23 September 2020, citing Clause 67 of the General Condition of the Contract.

The Council stated that TBA contravened Clause 67 of the Contract which requires the Employer or the Contractor to terminate the Contract if the other party causes a fundamental breach of the Contract. In this case, I found that TBA abandoned the site which implied the Agency underperformed on all aspect of the contract.

In my view, the termination of the construction contract by the Ubungu Municipal Council denied the TBA an opportunity to realize the revenue amounting to TZS 2,807,552,053.50 as well as tarnished the image of the Agency with regard to TBA's proficiency in the construction industry.

I recommend the Ministry of Works and Transport (Works) to evaluate the capacity and performance of TBA in the construction of Government buildings; if it is found incapable, the Ministry should ensure that the Agency is involved only in providing consultancy services. Also, I recommend TBA to strengthen the internal control system to ensure effective management of construction projects.

11.1.2 Non-achievement of Investment Targets for the Construction of Bunju Houses

In 2012, Tanzania Building Agency (TBA) initiated an investment project of constructing 851 houses at Bunju, Dar es Salaam with the expectation of generating an investment return amounting to TZS 145,338,500,000 from the sale of the houses to Public Servants. In view of that, TBA borrowed TZS 19,500,000,000 from CRDB Bank Plc on 24 June 2015 and TZS 3,500,000,000 from PSPF (Currently, PSSF) on 03 September 2015 to finance the project.

However, I noted that out of the investment plan of constructing 851 houses, TBA managed to construct only 219 houses (phase I and phase II), leaving 632 houses not constructed up at the time of audit in January 2022. Also, I observed that TBA has already spent TZS 18,835,068,187.69 (82 %) from borrowed amount in the construction of 219 houses, leaving the balance of TZS 4,164,931,812.31 not utilized. This implies there is a high probability that the remaining amount of TZS 4,164,931,812.31 may not be

sufficient to fund the construction of the remaining 632 houses and hence raising the risks of non-achievement of the investment objectives.

Despite, TBA explaining that the remaining funds will be directed to address the shortage of houses for public servants in Dodoma region in which case the Agency will no longer complete construction of the remaining 632 houses. I am of the view that, the investment project was inadequately planned and supervised by the Agency from the outset.

I recommend TBA to ensure that investment objectives of Bunju project are met in order to realize value for money of the borrowed funds. Also, I recommend TBA to ensure that it conducts an investment analysis (feasibility studies) so as to weigh the cost and benefit before initiating the project. In addition, I recommend the Government to conduct an investigation on the project to identify if TBA had misused the borrowed fund since the project results do not correlate with intended objectives

11.2 Tanzania Government Flight Agency (TGFA)

Tanzania Government Flight Agency (TGFA) is the executive agency that provides VIP flight services to the government officials. In addition, the Agency supports and manages all Government aircraft. The review of TGFA operations revealed the followings shortcomings:

11.2.1 Unpaid Maintenance Reserve Charges by ATCL - TZS 74.09 billion

From 2016 to 2018, TGFA purchased eight aircrafts¹² from De Havilland Aircraft Limited (Canada) and Airbus Canada Limited Partnership's Manufacturing Company in which case the eight aircrafts were leased to Air Tanzania Company Limited.

The review of Para 11.10 of the lease agreement showed that Air Tanzania Company Limited is required to pay TGFA maintenance reserve per aircraft at a specified rate throughout the lease. Also, the maintenance reserves will be available to ATCL (lessee) whenever the lessee carries out and pays for the overhaul or schedule airframe checks for which the maintenance reserves are being accrued.

12 The aircrafts were four Bombardier Dash 8 - Q400, two Airbus A220-300 and two Boeing B787-8

As per lease agreement, I learned that TGFA billed ATCL a total of TZS 76.40 billion¹³ in respect of the maintenance reserve charges. However, I noted that ATCL paid only TZS 2.31 billion to TGFA during the financial year 2020/21, leaving maintenance reserve charges amounting to TZS 74.09 billion not paid up to 30 June 2021. Further, my review noted that the outstanding bills of TZS 74.09 billion consists of TZS 36.15 billion for the financial year 2019/20 and TZS 37.94 billion for the year under review (2020/21). This raises the risks that TGFA may fail to ensure and determine whether the lessee carries out and pays for the overhaul or schedule airframe checks.

My inquiry on the issue from TGFA revealed that the outbreak of the COVID 19 pandemic affected the aviation industry which led ATCL to fail settling the outstanding maintenance reserve charges.

I recommend that the Government conduct a thorough investigation to determine whether ATCL had timely subjected the respective aircrafts to the necessary maintenance as per the standards and airworthiness directives approved by Civil Aviation Authority as well as manufacturer's maintenance program.

11.3 Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA)

The Agency was created under the Executive Agencies Act No. 30 of 1997 with a purpose of providing efficient and effective electrical, mechanical and electronic services as well as reliable and safe ferry transport services, equipment hire services to government institutions and the general public. My scrutiny on TEMESA operations discovered the following deficiencies:

11.3.1 Excessive Fuel Consumption at Magogoni Ferry Station - TZS 410.95 million

Regulation 277 (4) of Public Finance Regulations 2001 requires fuel consumption to be compared with normal anticipation for the specific type of conveyance or plant so as to draw attention to any excessive consumption that might indicate either mechanical defect or theft of fuel.

¹³ Including the outstanding bill amounting to TZS 38.46 billion as of 01 July 2020

In view of the above, I observed that Magogoni ferry station is operating three ferries and my analysis on fuel management for the financial year ended 2020/21 showed that there was an excessive consumption of fuel. Whereby a total of 178,673 litres of diesel equivalent to TZS 410.95 million (TZS 2,300 per litre) was consumed above the standard consumption requirements as analysed in **Table 90** below:

Table 90: Engine Operating Hours and fuels

Vessel	Liters of fuel consumed during the year 2020/21	Engine operating hours for year 2020/21	Average fuel consumed per hour	Standard fuel consumption per hour (using highest consumption)	Excess fuel per hour (Ltrs)	Excess fuel consumed (Ltrs)
	A	B	C = A/B	D	E = C-D	F = B X E
Magogoni	388,575	6097	64	44	20	121,940
Kazi	271,000	6325	43	35	8	50,600
Kigamboni	219,050	6133	36	35	1	6,133
					Total	178,673

Source: TEMESA Management letter

In contrast, TEMESA denied the existence of high fuel consumption in ferries on the ground that most of the time, machines (engines) operate between 75% to 90% load instead of 50% (which my analysis had based). However, my observation showed that the machines (engines) are working at 75% to 90% at the time of queue, which is morning (from 7 am to 10 am) and evening (from 05 pm to 08 pm). While for more than 17 hours (afternoon and midnights), engines operate at even below 50% load.

Therefore, I viewed that the excessive consumption of fuel may be due to mechanical defects or weakness in fuel management at the station, which exposes the Agency to the risk of heavy spending to finance the operation of ferries.

I recommend TEMESA to review and improve the existing internal control system that manages fuel utilisation at ferries stations. Also, I recommend the Parent Ministry (Ministry of Works and Transport) to investigate the cause of excessive fuel consumption and take immediate action.

11.4 Tanzania National Roads Agency (TANROADS)

The Tanzania National Roads Agency was established to develop, maintain and manage the Trunk and Regional Roads Network in an efficient and cost-effective manner. In view of that, I have noted issues which are in need of

improvement with regard to the management of roads construction projects as presented below:

11.4.1 Substandard Road Project Constructed at Mwigumbi - Maswa (50.3 km) - TZS 72.24 billion

On 12 February 2015, TANROADS signed a Contract with M/s China Henan International Cooperation Group Co. Ltd, for the upgrading of Mwigumbi - Maswa Road Project (50.3 Km) at a contract sum of TZS 61.46 billion (revised to TZS 72.24 billion). The completion time was set to end on 30 April 2017 but then revised to 31 March 2018, while the defect liability period was agreed to end on 31 March 2019 and revised to 21 June 2019.

Further, I observed that the project was supervised by M/s Kyongdong Engineering Co. Ltd (South Korea) in Joint Venture with M/s CORE Consulting Engineering PLC (Ethiopia) in association with M/s A.C.E Consultants (Tanzania) and M/s Luptan Consultants Ltd (Tanzania), vide the Contract with reference No. TRD/HQ/1009/2015/16 priced at TZS 1.96 billion but then revised to TZS 2.18 billion. The contractor had substantially completed the construction works on 31 March 2018 and handed over the road to TANROADS for public use.

However, during the current audit 2020/21, I reviewed the project files and observed that, during the defect liability period, the road started to experience cracks, potholes and bleeding in some sections which compelled the Agency to carry out an investigation. The investigation report revealed that the defects arose from various reasons including poor workmanship of the contractor, inadequate thickness of CRR (Colorado Rose Red) Base Course (which measured at the range of 90 mm to 140 mm instead of standard requirement of 150 mm), insufficient compaction of road layers, high field moistures in road base layers and the use of inferior quality pavement materials.

In view of the above, I noted that TANROADS instructed the contractor to undertake remedial measures at his own cost in 9.5 km out of 50.3 km, including full reconstruction of the 5.8 (km) road length and partial reconstruction of 3.7 km, leaving a road length of 40.8 km, which was intact during the investigation.

Following TANROADS efforts, I conducted site verification visit in December 2021 to check the progress and observed the following anomalies which need management attention as follows:

- The defects pertaining to the road had prolonged, thus resulting in extension of full reconstruction from 5.8 km to 10.69 km;
- The actual duration for performing the remedial works cannot be ascertained because the Contractor executed the remedial measures without a defined timeline as well as without programme of work; and
- The Investigation of the remaining 35.125 km of the road was yet to be concluded thus raising the risks that the Agency may not determine whether the remaining length of the road is without defects.

From the above observations, I am of the view that inadequate supervision of the contractor (by the consultant and TANROADS) contributed to the noted defects of the road and consequently causing inconveniences to the users.

I recommend the Ministry of Works and Transport (Works) to conduct a thorough independent investigation on the project and recommend to the government on whether there is a need to undertake full reconstruction of the road so as to minimize the risk of further failures in the future. Also, I recommend the Ministry identify all the personnel responsible for the road failure and also, the Contractor Registration Board and Engineer Registration Board, take appropriate legal and disciplinary action.

11.4.2 Liquidated damages not charged on the Contract for Upgrading Bulamba Kisorya Road Section (51 km) - TZS 3.67 Billion

On 05 November 2013, TANROADS signed a contract with M/s Nyanza Roads Works Ltd to upgrade Bulamba Kisorya Roads Section (51 km) at a contract sum of TZS 51.28 billion (revised to TZS 57.37 billion). The completion time was agreed to end on 10 December 2015 but revised many times; last was up to 30 November 2020.

However, I noted that the contractor substantially completed the construction works on 02 February 2021, which accounted to a delay of 64 days from the completion time of 30 November 2020. As per clause 22 of

the Special Conditions of Contract¹⁴, TANROADS were required to charge the contractor with the liquidated damages amounting to TZS 3,671,831,645 (0.1% X 57,372,369,451.57 X 64 days) of which were not charged.

TANROADS intimated that the Extension of Time (EoT) was granted by the tender board and the works were substantially completed and inspected in good time and therefore, the possibility of charging the liquidated damages was non-existent. However, up at the time of audit, in December 2021, the Agency could not present to me the documentary evidence to assert that.

Non-charging of the liquidated damages by TANROADS to defaulting contractors raises the risks that Government is losing funds which could have offset the burden on the costs incurred on the pertinent projects.

I recommend that the Ministry of Works and Transport (Works) review the internal control systems of TANROADS dealing with contract management to ensure the interest of taxpayers in general are served and reduce the burden of costs arising from project delays. In addition, I recommend TANROADS to impose and recover the liquidated damages from the contractor.



11.4.3 Frequent Closure of Weighbridge Operations

Order 3.6 (e) of the Executive Agencies (The Tanzania National Roads Agency) (Establishment) (Amendment) Order 2020 mandates TANROADS to establish and operate weighbridges and enforce axle load control on the road network under its jurisdiction.

The review of 65 weighbridge operations installed at various regional offices, revealed that the operations of the weighbridges towards axle load control had been affected by multiple closures at different periods of time during the year 2020/21. This raises the risks that the quality of the roads has deteriorated considerably due to passing of the overloaded vehicles without control.

¹⁴ Clause 22 of Special Condition of contract requires the contractor to be deducted liquidated damages of 0.1 per cent of the contract price per day for any delay to complete the works beyond the contract completion time.

For instance, my analysis on the operation of the weighbridge stations in the Kagera region such as Kyamyorwa, Nyakahura and Mtukula showed that the weighbridges were closed for 105 days, 28 days and 77 days, respectively. Also, I noted that weighbridge stations at Midori (Manyara), Tinde (Shinyanga) and Mwendakulima (Shinyanga) were not operating for 345 days, 18 days and 56 days, respectively. Further, I observed from the analysis that the anomaly had allowed 17,690 vehicles to use our roads without being weighed over the closed weighbridges.

While TANROADS explained that the breakdown was due to adverse weather conditions, inadequate weighbridge calibration and other factors, I am of the view that the closures were caused by the ageing of weighing scale equipment, inadequate maintenance and the use of outdated weighbridge systems and equipment.

I recommend TANROADS, together with the Ministry of Works and Transport (Works), to study in detail the causes of the frequent closure of weighbridge operations and come up with a permanent solution to the problem. Also, to come up with an action plan which will minimize the challenges of ageing weighing scale equipment, inadequate maintenance and the use of outdated weighbridge systems and equipment.

11.5 Tanzania Rural and Urban Road Agency (TARURA)

The objective for the formation of TARURA was the provision of sustainable and cost-effective maintenance and development of rural and urban roads network.

In view of that, I noted the following anomalies which are in need of improvement with regard to the audit of TARURA for the financial year ended 2020/21:

11.5.1 Loss incurred with regard to inadequate supervision of the construction of Mbuchi Bridge TZS 1.82 billion

On 27 March 2017, the Kibiti District Council (Prior to the establishment of TARURA)¹⁵ signed a contract with M/s Sinani Buildings Contractors Limited to construct Mbuchi Bridge at Rufiji Delta at a contract price of TZS 2.48

¹⁵ The project was transferred to TARURA vide letter with reference No: IA.42/306/01/03 dated 22 February 2018.

billion (The project was funded by DFID through a grant to the Government). The contract was expected to end on 31 November 2018 but extended to 30 April 2019. Besides, on 22 February 2018, the project was transferred to TARURA who assumed the employer responsibilities.

However, I noted that TARURA terminated the contractor due to underperformance on 15 October 2019 being, five months after the expiration of the contract time on 30 April 2019.

My further scrutiny of termination revealed that TARURA had failed to recover a total of TZS 1,824,487,787 from the contractor, which includes: unrecovered advance payment of TZS 246.97 million; payment made against Bill of Quantities of TZS 583.19 million; and non-recovery of uncompleted works deduction amounting to TZS 993.03 million as per Clause 4 of the Special Conditions of Contract¹⁶

Moreover, I learned that the contractor disputed the termination criteria and arguing that the Agency of provided him with an incorrect geotechnical investigation report, which misled the site soil condition and wrong setting out coordinates, which contributed to delays.

As a result, I noted that TARURA took disciplinary action against the project manager by returning him to Kibiti District Council. However, I view the action taken as insufficient because various management levels were involved in the project plan, supervision, and approval and not only one person.

From the pointed facts, I believe that this project was not adequately planned and supervised from design to implementation stage, thus raises the risk of shift the cost burden to taxpayers.

Therefore, I recommend Government Investigation Authorities to conduct a thorough investigation on the project and instruct the Parent Ministry to recover the loss from responsible parties for the inadequacies

¹⁶ Requires that the employer to deduct 40 per cent of the contract sum in lieu of uncompleted works; if the cause of the termination is underperformance.

noted with regard to the plan, supervision and monitoring of the project.

11.5.2 Abandoned road construction projects TZS 3.10 billion

Regulation 243 (1) of Public Procurement Regulations, 2013 (on the management of services and works contract) require procuring entities to monitor contractor's performances against the schedule of works stated in the contract, by means of daily, weekly, or monthly reports.

However, I found from the review of project files that four contractors had abandoned road construction projects worth TZS 3.10 billion entrusted to them by TARURA before being completed as per their contracts. I attribute the cause for the abandonment of the projects to inadequate supervision and delayed payments. The **Table 91** below describes the projects:

Table 91: Abandoned Projects

Project Name	Contract Sum (TZS)	Abandoned Date	Reason
Upgrading Vikindu - Sangatini 400M Road to Double surface (Contract No. AE/092/2020/2021/CR/W/49)	399,750,630	03/10/2021	Scarcity of bitumen
Upgrading of various roads 12km in block 9 and 12 Dungu farm Muongozo 12km road to gravel standard in Kigamboni Municipality (AE/092/2019-20/DSM/W/62)	717,123,800	11/04/2020	Delay payments
Improvement to bitumen standard road network infrastructure in Temeke Municipality package 3: Kiburugwa road (1.075km) (LGA/016/W/HQ/2016-17/T/LOT123)	1,537,619,600	22/02/2020	Delay payments
Upgrading of Morovian road to bitumen standard 1KM (DSD). (AE/092/2019/20/MBY/W/69)	440,680,000	30/04/2021	Delay to mobilize resources
Total	3,095,174,030		

Source: TARURA Management letter

It is worth noting that, in my previous report for the financial year ended 2019/20, I indicated that TARURA abandoned road projects amounted to TZS 1.95 billion. This implies that the deficiency of abandoned road projects by contractors have not improved because the costs of abandoned project have escalated to TZS 3.10 billion, thus, denying the tax payers the benefit of usable roads.

I recommend TARURA to ensure that the construction of the pertinent road projects is resumed and completed on time. Also, to strengthen internal control system over road projects' supervision and monitoring.

11.6 National Food Reserve Agency (NFRA)

The objective for the establishment of the National Food Reserve Agency is to guarantee the national food security by addressing food shortages through procurement, storage as well as efficient and effective food stock distribution. However, the review of NFRA operations revealed the following anomalies which are in need of management attention:

11.2.1 Project stalled due to the notice of termination of the Contract by Contractor - USD 33.14 million

On 22 December 2016, NFRA entered contract No: AE/054/2015/2016/HQ/W/19 with M/s FEERUM S.A for Design, Supply, Construction, Installation, Testing and Commissioning of Silos complexes, warehouses and rehabilitation of existing facilities in Ruvuma, Njombe, Songwe, Dodoma and Shinyanga. The contract price was agreed at USD 33,140,791.81 with completion time set to end on 09 December 2017 but later revised to 31 December 2020. Also, the Contractor had already been paid an amount of USD 21.46 million equivalent to 65% of the contract sum up to the time of audit in December 2021.

However, my site verification visits to the construction sites in December 2021, revealed that the project was yet to be completed, even though the contract time of 31 December 2020 expired one year ago. Also, I noted that the work progress at that time stood at 28 per cent for construction, 44 per cent for warehouses and 85 per cent with respect to silos.

Further, I observed that the contractor was absent from the site since 30 September 2020 and had issued a termination notice dated 1 December 2020, citing the reasons such as delayed payments and non-issuance of GN for VAT exemption. The contractor deemed the reasons to be fundamental breach of the terms and conditions of the contract as per Clause 67 of the General Condition of the Contract¹⁷.

¹⁷ The Employer or the Contractor may terminate the Contract if the other party causes a fundamental breach of the Contract.

Furthermore, I learned that NFRA disputed the termination grounds provided by the contractor and that the negotiation team has been formed to represent the Government against the Contractor's team from Poland to find an amicable solution to the problem. Up to the time of my audit (22 December 2021), the consensus of the dispute had not been found.

It is my view that inadequate internal controls over project management at NFRA contributed to the delays of the completion of project as well as the notice of termination of the contract by the contractor.

In addition, the non-completion of the project (for a period extending to four years since the original completion time of 09 December 2017 as at the time of my audit) raises the risks that the funds already deployed amounting to USD 21.46 million might go to waste and therefore, denying the tax payers the intended objectives of the project.

I recommend that NFRA strengthen internal control over the project management, which will ensure that projects are completed within the agreed contract time. Also, the Government, through NFRA and the Ministry of Agriculture to ensure consensus is reached on the on-going negotiations so that project is completed in order to obtain the value for money for the funds invested.

11.7 Dar Rapid Transit Agency (DART)

DART Agency is a government entity established by GN No. 120 of 25 May 2007 under the Executive Agencies Act No. 30 of 1997 and its subsequent amendments. The key role of the DART Agency is to establish and operate the Bus Rapid Transit (BRT) system for Dar es Salaam.

During the review of DART operations, I noted the following inadequacies which are in need of public attention as detailed below:

11.7.1 Performance deductions not recovered for underperformance of Transitional Service Provider (TSP) - TZS 2.77 billion

Schedule A under Clause 1.3 of the contract agreement between DART and UDA Rapid Transit PLC signed on 16 August 2019 for the provision of transitional bus operator services for Phase 1, requires UDA Rapid Transit PLC to ensure availability of buses for operation; in event that the service provider fails to do so, the Transitional Service Provider (TSP) will be

awarded availability performance deduction as specified under Schedule I (Performance deduction). It is also amplified in Clause 5.27 of the contract that the TSP shall submit performance bond worth USD 1 million (TZS 2.3 billion) to secure against underperformance of the service provider.

In view of the above, I noted that from 2019 to 2021, DART charged the service provider (UDA Rapid Transit Plc) a total amount of TZS 2.77 billion with regard to the underperformance observed by DART as result of the monitoring process. However, I found that UDA Rapid Transit Plc has yet to settle the bill and also, DART has not yet made any tangible efforts to recover the amount.

Further, I observed that since the signing of the contract, the service provider (UDA Rapid Transit PLC) has yet to furnish a performance bond worth USD 1 million to DART as per the requirement of Clause 5.27 of the contract. This implies that, as at the time of my audit in September 2021, DART had no legal redress against the underperformance of the service provider.

Furthermore, I noted that DART recruited temporary staff to manually monitor the performance of the service provider. However, I am of the view that the manual performance appraisal modality is prone to errors and malpractice and may cause disputes with the service provider.

I recommend that DART management ensure performance deduction amounting to TZS 2.77 billion is recovered from the service provider. Also, I recommend that DART ensure the service provider is submitting the performance bond as per clause 5.27 of the contract. Further, to look for a better way of measuring the service provider's operation performance so that disputes arising from performance results are mitigated.

11.7.2 1,107 Accidents occurred along Bus Rapid Transit (Phase 1) infrastructure

Clause 9.1.1 of Addendum 4 of the contract between DART and Transitional Service Provider (TSP) requires the TSP to implement a comprehensive and fit for purpose advanced public transport dispatching and fleet management functionality. Also, safety and security is one of the guiding principle in the transportation industry of which a TSP need to consider while operating.

However, I noted from the review of the Transitional Service Provider Ridership report that a total of 1,107 accidents had occurred in BRT infrastructure since the commencement of operation in May 2016 up to the time of my audit in September 2021. Also, I learned that the reported accidents led to 50 deaths, 211 body injuries and damaging several properties.

I am concerned that if adequate safety and security measures are not enhanced, there is risk that loss of lives, injuries and property damage may continue unabated.

I recommend DART to liaise with TSP to enhance safety and security measures in BRT infrastructures so as to minimize accidents. Also, I recommend DART engage with security forces in order to prevent easy access to BRT infrastructure.

11.8 Registration Insolvency and Trusteeship Agency (RITA)

RITA was officially launched on the 23 June 2006 and replaced what was known as the Administrator Generals Department in the Attorney Generals Chambers, Ministry of Justice and Constitutional Affairs. It is an Executive Agency under the Attorney Generals Chambers in the Ministry of Justice and Constitutional Affairs. The Registration Insolvency and Trusteeship Agency (RITA) aims at effective and efficient management of information on key life events, incorporation of trustees, safeguarding properties under trust, of deceased persons, insolvents, and minors to enable the law to take its course. During the audit of RITA, I found the following issue which is in need of public attention:

11.8.1 Loss of 2,000 leaf of Marriage Certificates - TZS 20 million

Section 33 (3) of Law of Marriage Act requires the district registrar or kadhi, after registering the marriage to issue a marriage certificate in duplicate, retain one part and send the other to the registration officer for transmission to the parties.

During the audit of RITA, I found that RITA had 83,300 leaf of marriage certificate at the beginning of the year (01 July 2020). Out of 83,300 leaf of marriage certificates, RITA issued 81,300 leaf of marriage certificates to various Districts up to 18 December 2020, leaving unutilized balance of 2,000 leaf of marriage certificates.

However, I observed from physical verification that the 2000 leaf of marriage certificates were missing, implying that the Agency might have incurred a loss in revenue amounting to TZS 20,000,000 (2000 leaf x TZS 10,000). Also, the anomaly raises the risk that Agency's internal controls over the custody of marriage certificate's leaf is inadequate.

I recommend Parent Ministry (Ministry of Constitution and Legal Affairs) to conduct investigation that will determine the cause of the loss and take appropriate action against the staff responsible for the loss. Also, I recommend RITA to enhance internal control system over the custody of the marriage certificate's leaf.

11.9 Rural Water Supply and Sanitation Agency (RUWASA)

The Water Supply and Sanitation Act No.5 of 2019, among other things, established the Rural Water Supply and Sanitation Agency (RUWASA) which took over mandates that were previously vested to PO-RALG, Regional Secretariats (RSs) and Local Government Authorities (LGAs). The transferred mandate involves the provision of water services to rural communities, small towns and district headquarters. My scrutiny of the RUWASA operations revealed the following shortcomings which are in need of management attention:

11.9.1 Unproductive Water Project at Gwata Village - TZS 440.60 million

On 08 July 2015, Morogoro District Council entered into a contract agreement with M/s Mkumba Quality Contractors to construct a piped scheme for Gwata Village at a contract price of TZS 440,600,000. The contract completion date was set to end on 31 January 2017 but was revised to 27 November 2019. The Council transferred the project to RUWASA on 1 July 2019 after its establishment.

However, I noted that the project had not yet been completed up to the time of audit on 13 January 2022 (two years have elapsed since completion time), while the contractor had already been paid a total of TZS 244.57 million, equivalent to 56% of the contract sum.

Further, I learned that insufficient water volume from the WAMI River affected the water distribution to the project area because the project

expected to utilise the water supplied by the Chalinze Water Supply Authority (CHAWALISA).

In view of the above, I am of the opinion that adequate study was not conducted to determine the sustainability of project which include the source of water supply to the pertinent project. This raises the risk that value for money may not be realized from the funds invested amounting to TZS 244.570 million.

I recommend the Agency to conduct adequate feasibility study for water projects which will include determination of water sources before initiating the projects. Also, I recommend RUWASA to find an alternative and reliable water source for the project and ensure the project is completed as planned.

11.9.2 Non-installation of water flow meters to 340 Customers

Section 21 (c) of Water Supply and Sanitation Act, 2019 requires a water authority to do all things necessary to provide water supply and sanitation services to the area falling under its jurisdiction. Also, a water authority will have powers inter alia to install water meters to measure the amount of water supplied to a consumer.

However, during the audit of RUWASA (Same Office), I noted that out of 599 customers connected with water supply service at Hedaru Ward, only 259 customers were installed with flow meters, leaving 340 customers enjoying water supply without being installed with water flow meters.

Further, I observed that the customers were billed depending on personal judgment (estimates) rather than the actual consumed water. This raises the risk that the Government might be losing revenue from inadequate estimates as well as the risk of corruption among the staff involved in the billing process.

I recommend that RUWASA set aside funds to finance the procurement of water flow meters and ensure all customers are installed with flow meters to enhance the efficient collection of revenue.

11.10 Tanzania Forest Services Agency (TFS)

The Agency is mandated to sustainably undertake conservation, development and utilization of national forest and bee resources so that

they contribute to the social, economic, ecological, and cultural needs of present and future generations. I reviewed the operations of TFS and observed the following shortcoming:

11.10.1 Advance payment not recovered from TPDF - TZS 3 billion

Julius Nyerere Hydropower Plant (JNHPP) is the large-scale project that aims at providing 2000MW. In October 2018, the Government, through TANESCO, entered a contract with M/s Arab contractors in a joint venture with M/s El- Sewedy Electric to construct the respective project. As a result, the Government formed the Team (Government Facilitation Team), which involved various stakeholders, including Tanzania Forest Service Agency (TFS), to facilitate swiftly execution of the project.

In view of the above, I noted that TFS was engaged in the project on 16 February 2018 to provide technical advice regarding forest inventory, supervision of harvesting process, and sales of harvesting produce. In that aspect, TFS decided to divide the site of about 3,495,362.823 m³ into six Blocks for clearance, and the blocks were awarded to 23 companies through competitive bidding in December 2018.

However, I noted that TFS terminated the contracts of 23 companies due to underperformance after observed a slow progress of works which stood at four per cent while one year (December 2018 - December 2019) had elapsed since commencement of works. After the termination, TFS decided to engage Tanzania Peoples' Defence Force (TPDF) to complete the clearance of remaining 96% of the site vide agreement signed in December 2019.

Article 3.1 of the above agreement stipulate that TFS will provide advance payment to the TPDF, and within seven days of receiving funds from the Government, TPDF will refund the amount advanced from TFS.

As per the cited article, I noted that TFS advanced TPDF a sum of TZS 3,000,000,000 in four instalments from 21 February 2020 up to 07 August 2020. However, I found that TFS had not recovered the advance payment up to the time of audit in January 2022, even though TPDF received a sum of TZS 11,000,000,000 from the Ministry of Finance and Planning (MoFP). Concerning that, TFS explained the fund released by the MoFP (TZS 11 billion) was less than the requirement, thus leading TFS fail to recover the advance paid. However, I am concerned that the budgeted activities of TFS

had been affected by the delay in recovering the advance amount of TZS 3 billion from TPDF.

I recommend TFS to recover the advance paid to TPDF so as to minimize the risk of further delay in implementation of budgeted activities relating to the funds advanced.

11.11 Cross Cutting Issues Related to Agencies

During my audit of Agencies, I observed some issues which cut across various agencies and due to their importance are hereunder presented as follows:

11.11.1 Interest charged on delayed payments - TZS 69.62 billion

Clause 54 of GCC stipulates that the Employer will pay the Contractor the amounts certified by the Project Manager within 28 days of the date of each certificate (contract under FIDC format, the payment due date is 56 days from when contractor submit the claims). If the Employer makes a late payment, the Contractor will be paid interest on the late payment in the next payment.

However, despite my previous recommendations on the matter, I noted that two Agencies had outstanding claims amounting to TZS 673. 52 billion from the contractors, and consultants, thus leading the respective Agencies to be imposed with interest on delayed payments¹⁸ amounting to TZS 69.62 billion as per the clauses cited above. It is worth noting that TANROADS had a significant debt valued at TZS 664.35 billion (30 June 2021), which attracted interest on delay payments amounting to TZS 68.73 billion. The

Table 92 below provides details:

Table 92: Interest on delayed payments

Agency	Outstanding Claims (TZS)	Interest on delayed payment (TZS)
Tanzania National Roads Agency (TANROADS)	664,350,024,473	68,730,326,701
Tanzania Rural and Urban Road Agency (TARURA)	9,171,917,103	884,898,248
Total	673,521,941,576	69,615,224,949

Source: Management letter

¹⁸ Delayed in payments are from one month to 12 months and beyond

My review showed that the problem is exacerbated by insufficient funding of the projects by the Government (Treasury) and especially for the projects which are solely financed by the Government or co-funding.

I reiterate my previous year's recommendation that the Government through the Ministry of Finance and Planning should develop strategies/policies that will ensure outstanding debts are settled within the contractual timeframe. Also, the Government should emphasize in offsetting the existing debts before entering new commitments.

11.11.2 Agencies with unsatisfactory own sources revenue collections

Sect. 12 (2) (a) of Executive Agency Act, 1997 requires an Executive Agency to perform its functions in accordance with modern commercial principles and to ensure that, as far as possible, its revenue is sufficient to meet its expenditure properly chargeable to revenue.

However, I noted that nine Agencies operate commercially, but their own sources revenue collections were significantly lower such that they range from 24% to 97% compared to their budgeted amounts. The details are shown in **Table 94** below:



Table 93: Agencies with unsatisfactory own source collection

SN	Agencies	Budget (TZS) A	Actual Collection (TZS) B	Under (TZS) C=A-B	% under collectio n 2020/21	% of under collection reported in previous report 2019/20
1	National Food Reserve Agency (NFRA)	120,300,000,000	3,778,519,445	116,521,480,555	97%	57%
2	Tanzania Government Flight Agency	79,947,869,614	7,304,042,188	72,643,827,425	91%	83%
3	Tanzania Buildings Agency	48,721,752,254	15,895,437,970	32,826,314,284	67%	63%
4	Tanzania Meteorological Authority	16,870,094,284	6,055,620,868	10,814,473,416	64%	19%
5	Rural Water Supply and Sanitation Agency Drilling Section (RUWASA-DS), former DDCA				59%	45%
6	Agricultural Seed Agency (ASA)	12,300,958,623	5,066,906,122	7,234,052,501		
7	Petroleum Bulk Procurement Agency	6,723,194,000	2,831,021,440	3,892,172,560	58%	56%
8	Tanzania Electrical Mechanical and Electronics Services Agency (TEMESA)	9,853,680,000	6,955,858,470	2,897,821,530	29%	4%
9	Tanzania Airports Authority	78,278,081,029	57,999,383,128	20,278,697,901	26%	26%
		64,475,519,447	49,208,959,757	15,266,559,690	24%	21%

Source: Individual management letter

The analysis above shows that National Food Reserve Agency (NFRA) had seriously underperformed by having under collection amounting to TZS 116. 52 billion equivalents to 97 per cent of the budgeted amount. In addition, I noticed that the under-collection of NFRA increased from 57 per cent indicated in my previous report (2019/20) to 97 per cent during the year under review; thus, suggesting that urgent intervention is required to ensure the going concern of the Agency.

Generally, I noted that eight out of nine Agencies (shown in the table above) experienced an increase in under-collection of own sources compared to the previous year's reported figures (2019/20).

From my previous report, I showed that the under collections originated from inadequate revenue collection systems, the absence of units responsible for revenue collection, and inadequate budgetary planning process. Also, I viewed that the responsible Ministerial Advisory Boards had not adequately evaluated the Agency's performance. Consequently, the deficiency might tolerate unending reliance on government subsidies to finance their activities, which burden taxpayers.

I reiterate the previous recommendation that the relevant Ministries responsible for the Agencies to conduct a performance review of the Ministerial Advisory Boards (MAB) to determine whether they fulfil the responsibilities of evaluating the performance of the respective Agencies and design strategies which will ensure effective performance of the MAB.

I also recommend the pertinent Agencies to ensure there are effective revenue collection systems, units responsible for revenue collection and an adequate budgetary planning process.

Issues Raised During the Audit of Other Government Entities

During the year under review, I observed some key issues relating to other government entities which require government intervention as well as taxpayers' attention as presented hereunder:

11.12 National Identification Authority (NIDA)

The National Identification Authority (NIDA) is responsible for the registration and issuance of National Identification Cards to Tanzania

citizens and legal residents. During the review of NIDA operations, I noted the following:

11.12.1 Inadequate NIDA performance in Registration, Identification Number Generation, and ID Cards Production

NIDA Annual Action Plan (2020- 21) provides performance targets for various activities, including the core activity of registration, Identification Number generation and ultimately ID cards production.

During the review of the NIDA Annual Action Plan (2020- 2021) together with the Quarterly Monitoring Reports, I found that the Authority has been underperforming on the core activity of registration, Identification Number generation and ID cards production as discussed hereunder:

- I noted that NIDA targeted to produce 13,900,000 National ID Cards; however, only 1,705,693 IDs were produced, leaving a production target of 12,194,307 National ID Cards not achieved, equivalent to 88 per cent. Also, out of 1,705,693 IDs produced, NIDA had distributed 1,463,149 to registered citizens, leaving 242,544 IDs (14 per cent) yet to be distributed.
- Also, I noted that NIDA targeted to generate 1,900,000 National Identification Numbers. However, only 1,061,295 Numbers were generated, leaving a target of 838,705 Numbers not achieved, equivalent to 44 per cent.

Further, I noted the cause of underperformance is a result of using first-generation cards on second generation printers as well as the lack of routine maintenance of ID production machines. Specifically, at Kibaha Data Centre, I observed that three ID production machines bought from IRIS Co. Behard were not in use up to the time of audit in December 2021, as shown in the **Table 95**:

Table 94: Last Dates of Use of ID Production Machines at NIDA Kibaha Center

SN	Printer Serial No.	Last Date of Use
1.	HE-2556	08/09/2021
2.	HE-2557	24/06/2020
3.	HE-2558	29/10/2018

Source: Physical verification

It is my view that non-maintenance of machines raises the risks of the pertinent machines deteriorating and ultimately breaking down, in which

case the smooth production of National ID cards will be hindered. Also, the non-achievement of the set targets raises the risk of the inability of the Government to identify individuals and capture information for various uses.

I recommend NIDA to ensure that the ID production machines are maintained as per their maintenance schedules and streamline the operations so that the set targets are achieved as planned.

11.13 Rural Energy Agency (REA)

The Rural Energy Agency (REA) main role is to promote and facilitate improved access to modern energy services in rural areas of Mainland Tanzania. REA became operational in October 2007. The review of REA operations and contract management revealed the following:

11.13.1 Substandard works observed in the Rural Electrification Project in Tanga Region

On 23 August 2017, REA entered into a contract agreement with JV Radi Service, Njarita Contractors & Aguila Electrical Contractors Limited at TZS 8,720,525,230.95 and USD 1,170,526.54 for rural electrification in Muheza, Mkinga, Pangani and Bumbuli Districts in Tanga Region. The effective date for the commencement of the project was 14 May 2018, and the completion date was expected to be on 13 May 2020, but further extended to 31 December 2021.

Clause 9.1 of the contract requires the contractor to design, manufacture, install and complete the facilities with due care and diligence according to the contract.

However, the site visit in Tanga Region in November 2021, revealed that the contractor carried out substandard works such that the poles were tightened with trees, Physical Contact (PC) Connectors were missing, and the backfilling of constructed poles was not done properly. In addition, I observed that the low voltage lines of about 3km were strung in a pole with a D-iron clamp instead of a rubber clamp (the iron clamp can make electrical wires easily fractioned and lead to electrical default).

Further, I noted that since the contract for the contractor ended on 31 December 2021, there is a risk that defects noted may not be rectified, thus, value for money may not be obtained on the funds invested.

I recommend REA to strengthen internal controls over project supervision so as to minimize the risk of substandard works. In addition, I recommend REA to look at ways whereby the contractor can rectify the noted defects.

11.13.2 Leakage of Oil from Transformer at Uyui District in Tabora Region

On 03 July 2017, REA signed a contract with M/S JV POMY Engineering Company Ltd, Intercity Builders Limited and Octopus Engineering Limited for the Supply and Installation of Medium and Low Voltage Lines, Distribution Transformers and Connection of Customers in Unelectrified rural areas at Kaliua, Urambo, Sikonge and Uyui districts in Tabora Region on turnkey's basis under REA Phase III round I Project at contract price of TZS 30,192,528,747.66 and USD 4,822,730.40. The completion time was agreed to end on 16 May 2020 (revised 31 December 2021) and defect liability period to end on 30 December 2022.

Section 3.2.2 (j) of the technical specification of the above contract requires the transformers distributed to have a minimum warranty period of six years.

However, during a site verification visit conducted on 15 November 2021 at Kagera Village in Uyui District, I observed a leakage in 50Kva Transformer (Serial number: TX 008508) installed in 2020, which was yet to be rectified by the Contractor. Although, I was informed that the leakage observed was the factory default, I am of the view that if REA had conducted adequate inspection and supervision on a regular basis, the defect could have been detected. The anomaly raises the risk that the Uyui villagers' might be denied the intended benefit of the electricity.

I recommend REA conduct a thorough investigation of the transformers installed by the relevant contractor to determine whether there are other defective transformers so that appropriate measures are taken against the contractor. Also, to ensure the contractor replaces the faulty transformer without further delay.

11.14 Mining Commission

The Mining Commission was established under the Mining Act 2010 as amended by Written Laws (Miscellaneous Amendment) Act 2017. The Commission came into existence through the Government Notice No. 27

issued on 07 July 2017. The aim of the Commission is to enhance management of the Mining Sector and to ensure that the Government is benefiting from the income generated in a sustainable manner. I observed the following shortcomings from the audit of the Mining Commission:

11.14.1 Illegal extraction of Tanzanite Gemstone in Non-Operational Government Mining Area at Mererani

On 13 May 2020, the Government, through Mining Commission, acquired the Block C mining area at Mererani from Tanzania One Company Limited, following Mining legislation changes made in 2017 and various successful negotiations between the Government, STAMICO and Tanzania one. Then, the Government handed over the area to Tanzania People's Defence Force for security purposes. The area has approximately 7.6 square kilometres (7.6 million square meters), and the area is surrounded by Blocks A, B and D.

However, I observed that the Government had not commenced extraction of tanzanite gemstones in the area since it took over, which accounts for delays of one year and six months up to the time of audit in November 2021. Worse enough, during the review of file No. ML 490/2013, I noted illegal mining activities in the area where small-scale miners from other Blocks (Block B and D) are paving undetected ways underground to extract tanzanite gemstones without attracting the attention of the Tanzania Peoples' Defence Force.

Further, I was informed that the Ministry of Mineral, in collaboration with the Mining Commission, has finalized a Proposal and Cabinet Epistle concerning allocation and development of the Mirerani Block C Mining Area to be presented for Cabinet approval. However, I am concerned that the bureaucracy surrounding decision making may continue to tolerate encroachment and invasion in the area, which may cause the government to continue losing potential revenue as a result of illegal extraction of tanzanite gemstones.

Apart from that, I noted that on 13 May 2020, the Mining Commission signed a deed of handing over the mine (Block C) and its associated assets and infrastructures with Tanzania One Mining Limited. However, during the review of the deed, I noted that the value of the investment and infrastructure handed over by Tanzania One were not included in the deed;

thus, I find difficult to establish the value of the assets surrendered to the Mining Commission.

I recommend the Government to speed up the decision regarding proper development of the area (Block C) to eliminate the risk of invasion and encroachment that causes the Government to lose possible revenue. In addition, I recommend the Mining Commission to collaborate with Tanzania Peoples' Defence Force to enhance security in the area. Also, the Mining Commission to establish the value of the mining assets handled over by Tanzania One Company Limited.

11.15 Mzinga Corporation

11.15.1 Irregular Payments Made for Undelivered Procured Military Weapons - TZS 1.39 Billion

On 23 November 2020, Mzinga Corporation signed a contract with SMT Security Ltd to supply Military Weapons at a contract price of Euro 572,444 (TZS 1,617,154,300). The delivery date was agreed to be on 26 November 2020.

My review shows that, Clause 18 (ii) of the Special Conditions of Contract requires the supplier to be paid an advance equal to 50 per cent of the contract price and 35 per cent of the contract price upon the submission of shipment evidence.

However, I found that Mzinga Corporation paid a total of Euro 486,577 (TZS 1,385,599,550), equivalent to 85 per cent of the contract price, without obtaining the supplier's evidence of consignment shipment.

Further, I observed that Mzinga Corporation is yet to receive the procured weapons from the supplier even though 15 months have elapsed from the delivery time of 26 November 2020 to the time of audit on 7 February 2022.

Although, Mzinga Corporation pointed out that COVID 19 pandemic is the main cause that affected the production and supply of the procured weapons, I am of the view that inadequate internal control system over procurement management allowed payments to be made without adhering to the contractual clause requiring the submission of shipment evidence.

The anomaly raises the risk that the Government might incur losses if the supplier defaults.

I recommend that Mzinga Corporation Limited strengthen internal control systems over procurement management. Also, to ensure that the supplier delivers the procured weapons without further delays.

11.16 Tanzania Wildlife Management Authority (TAWA)

Tanzania Wildlife Management Authority (TAWA) under the Ministry of Natural Resources and Tourism is an autonomous public institution that was established by the Wildlife Conservation (The Tanzania Wildlife Management Authority) Establishment Order, 2014. It is responsible for undertaking the administration and sustainable management of wildlife resource and biodiversity conservation outside National Parks and Ngorongoro Conservation Area. This entails managing a total area of 169,553 square kilometre (79% of the total size of protected areas in the country) comprising of Game Reserves, Game Controlled Areas, and open areas. The review of TAWA operation noted the following:

11.16.1 Unfair Termination of Successful Bidders for Hunting Blocks by the Minister - TZS 282.50 million

In October 2017, the Government decided to diversify the modalities of allocating hunting blocks by adopting an e-auctioning system. The decision intended to not only enhance good governance but also to optimize social-economic potential of the hunting industry. To ensure a smooth application of the e-auctioning system, TAWA developed a Guidelines for the Allocation of Hunting Blocks through Auctioning in April 2018 which was made under Section 38 of the Wildlife Conservation Act, Cap. 283.

Section 1.2 (iv & v) of the above-mentioned Guidelines cited that the Auction will be conducted electronically without human intervention; also, an e-auction award shall be based solely on ranking of bids; such that the hunting blocks shall be allocated to the highest bidder. The highest bidder shall be billed and required to pay 25% of his bid price within 12 working hours after closure of auction, and the remaining 75% within 14 days from the date of closure of auctioning.

In view of the above, I noted that from 16 to 22 August 2021, TAWA conducted e-Auction on various hunting blocks, whereby 28 companies

participated in the auction, and six companies (highest bidders) were awarded the hunting blocks. Further, I noted that the successful bidders paid a sum of TZS 282,500,000 to the Government, being 100% (25% and 75%) of the billed amount as per Section 1.2 (iv & v) of Guideline.

However, on 04 November 2021, I noted that the Minister (Ministry of Natural Resources and Tourism) had terminated and nullified the whole process of e-Auction because several complaints had been lodged against the process, despite TAWA effort to respond to the complaints with explanation and evidences.

In my view, the e-Auction was conducted electronically without human intervention as stipulated in Section 1.2 (iv & v) of the Guidelines, thus suggesting that the possibilities of favouritism and bias were minimized. On top of that, I believe the Minister could have investigated the system's whole functionality process before nullified the award. That decision exposes the Government to the risk of being sued and refund a sum of TZS 282,500,000 together with possible accrued interest from the last payment date (bidders) of 06 September 2021 up to the date of refund.

I recommend the investigation organ to investigate the overall process of evaluating the bidders in e-Auction system to confirm the effectiveness of the system controls toward preventing the issues raised; if no weakness is found, the decision should be revoked.

11.17 Issues Raised During the Audit of Special Funds

Special Funds are established by the government to collect funds that are to be used for a specific activity and Special Funds provide an extra level of accountability and transparency to taxpayers that their money will go toward executing the intended purpose. During the review of Special Fund operations, I observed some key issues which are in need of improvement as presented hereunder:

11.17.1 Women Development Fund (WDF)

The Women Development Fund was established by the Government following the pronouncement of the Parliament on August 1993 and Section 17 (1) of the Exchequer and Audit Ordinance (Cap 439) of 1961. The Fund's main objective is to provide soft loans to women entrepreneurs as a means of empowering them economically and build the habit of saving and credit,

establish and expand their projects and raise the living standards of their families. My review on the operation of the Fund revealed the following:

11.17.2 Non-issuance of Loans to Women Entrepreneur - TZS 450 million

During the review of the WDF plan for the financial year 2020/21, I found that the Women Development Fund had planned to issue loans worth TZS 450,000,000 to women entrepreneurs and recover a total sum of TZS 300,000,000 from beneficiaries of previous loans.

However, I noted that WDF had failed to issue any loans to women entrepreneurs during the year under review. In addition, I found that WDF had recovered loans amounting to TZS 20,588,667 (equivalent to seven per cent) out of the plan to recover a total sum of TZS 300,000,000.

Consequently, it is my view that the Fund had seriously underperformed on its core objective, which has potentially affected the women entrepreneurs toward being self-employed in productive activities aimed at increasing income and promotion of their well-being.

I recommend the Government to review the functioning of the Fund and look at the best ways to improve the Fund so that the fund achieve its objective of helping women overcome poverty through self-reliance.

11.18 National Water Fund (NWF)

National Water Fund is governed by the Water Supply and Sanitation Act No. 05 of 2019 which mandates the Fund to mobilize resources and provide investment support for water service provision and management of catchment serving water supply abstraction areas. My scrutiny on the NWF operations revealed the following anomaly relating to the management of expenditure as detailed below:

11.18.1 Expenditure on Contingencies Funds not Appropriately Managed - TZS 2.77 billion

Section 14 (1) of the Water Supply and Sanitation Act, 2019 requires that an implementing agency which has received funds to submit to the fund quarterly reports, semi-annual report, annual progress report and funds acknowledgement receipts with respect to the status of Water Projects. In addition, Regulation 15(1) of National Water Fund Regulations, 2019

requires the Fund to monitor and evaluate the utilization of funds disbursed to the implementing agencies for the purpose of executing water projects.

My review of the NWF Budget 2020/21 showed that NWF budgeted TZS 3,096,065,931 for Contingencies fund (under Budget Code 26321385). Out of budgeted amount, I noted that NWF had disbursed Contingencies fund amounting to TZS 2,771,091,088.10 directly to 14 implementing Agencies.

However, I found that the respective implementing agencies had not submitted progress reports to account for the utilization of disbursed contingencies funds contrary to above cited Section 14 (1). Also, I learned that NWF had not conducted monitoring and evaluation on the contingency's expenditure incurred by implementing agencies as per requirement of Regulation 15 (1). As such, I could not confirm if the funds disbursed had been appropriately utilized for the purposes intended.

I recommend NWF to conduct investigation on the utilization of the contingency funds disbursed to implementing agencies to confirm whether the funds were utilized for the requested purpose and take action if found otherwise.

11.18.2 Improper Disbursement of Fund - TZS 2.05 billion

Section 56 (b) of the Water and Sanitation Act, 2019 on National Water Fund enumerates its functions in line with its establishments, among of is to disburse funds to implementing agencies for purpose of execution of water projects.

However, I revealed that NWF had paid a total of TZS 2,046,973,674 to various contractors of water projects after being instructed by the Ministry of Water contrary to the requirement of aforesaid Section 56 (b), which requires funds to be disbursed only to implementing agencies.

Besides, I noted the Ministry had failed to settle its obligation from the contractors due to insufficient budget allocation, which led the Ministry to instruct the NWF to pay the contractor on its behalf without considering that the Fund did not have the budgetary provision.

Further, I noted that NWF had made the payments without having financial and contractual obligation with the payee (contractors). Consequently, the

practice had limited my audit because I could not confirm if the payment were made to legitimate activities due to the lack of contract records and other necessary documents at NWF.

In my view, the inadequacy might expose the NWF to the risk of its funds being used for unintended activities, thus crippling the Fund's objectives.

I recommend the NWF to strengthening internal control over funds disbursement that will ensure funds are disbursed only to implementing agencies in accordance to their allocated budget. Also, I recommend NWF to recover the amount paid to the contractor for the subsequent allocation made to Ministry of Water.

11.19 Matters Raised During the Audit of Water Basin Boards

Water Basin Boards were established in accordance with the Water Utilization (Control and Regulation) Act, 1974 and its subsequent amendments. But the former Act has been replaced with the Water Resources Management Act, 2009.

My review of Water Basin Boards revealed the following matters which are in need of management attention as follows;

NAOD

11.19.1 Makonde Plateau Water Supply and Sanitation Authority (MPWSSA)

The Authority was gazetted on 17 December 2004 by the then Ministry of Water and Livestock Development. The Authority was established under the water Ordinance CAP.281 which was revised in the Water Supply and Sanitation Act. No. 12 of 2009. The Authority is obliged to provide adequate, quality, and sustainable water as well as management of waste to the people of Newala, Tandahimba, Nanyamba and Namtumbuka.

During the review of Makonde Plateau Water Supply and Sanitation Authority (MPWSSA) operations, I noted that for two financial years (2019/20 and 2020/21), the electricity charges were far beyond the MPWSSA own-source revenue as detailed in Table 95.

Table 95: Electricity Cost incurred by MPWSSA against Revenue

Year	Electricity charges (TZS)	Revenue (Exchange transaction) (TZS)
2020/21	765,518,421	533,443,878
2019/20	1,013,921,570	375,808,778

Source: Management letter

From the tabulation above, I learned that the excessive electricity charges were caused by leakage of transmission and main distribution pipeline due to ageing, which requires a lot of electrical energy to push the water through a leakage pipeline. Further, I noted that MPWSSA had failed to settle the electricity bills using its revenue, thus leading the Ministry of Water to intervene and pay a total of TZS 2.51 billion with regard to MPWSSA outstanding electricity bills.

It is my view that the non-repair of the leakage pipeline raises the risks of increasing the costs of operations of the Authority such that the costs cannot be recouped from the revenue realised.

I recommend MPWSSA and Ministry of Water to allocate funds for the rehabilitation of water infrastructures of Makonde Water Supply Scheme so as to reduce Non-Revenue Water (NRW).

11.19.2 Ruangwa Water Supply and Sanitation Authority

Ruangwa Urban Water Supply and Sanitation Authority (Ruangwa WSSA) was officially established by the Government Notice dated 17 June 2005 GN No. 168). The authority is responsible for supplying portable water and collecting wastewater in Ruangwa Town.

My review of pump test results for two boreholes at Kitandi and one borehole at Matyatya showed that the capacity for the three boreholes to produce water is 2,304m³ per day, equivalent to 840,960m³ per year. However, I found that Ruangwa WSSA had produced only 438,792 m³ of water per year in the respective boreholes, equivalent to 52 per cent of its capacity. Further, the management argued that insufficient storage capacity and low electricity voltage were the main cause of inadequate water production.

In addition, I learned that Ruangwa WSSA is planning to construct a 2000 m³ storage tank which would mitigate the risks associated with inadequate water production capacity experienced.

While I acknowledge management efforts on the matter, I am of the view that, Ruangwa WSSA need to start implementing the plans which they have in place.

I recommend Ruangwa WSSA in collaboration with the Ministry of Water to improve storage capacity and ensure the availability of reliable electricity that will facilitate water production at maximum capacity.



CHAPTER TWELVE

OPERATIONAL PERFORMANCE OF REGIONAL REFERRAL AND SPECIALISED HOSPITALS

12.0 Introduction

This chapter demonstrates audit findings concerning medical services and health system challenges observed during the audit. Regional Referral Hospitals, Zonal referral hospital and specialized hospitals, are directly managed by the Ministry of Health, Community Development, Gender, Elderly and Children. The Ministry introduced reforms that aimed at strengthening the capacities of Hospitals to provide high quality medical services by increasing the number of qualified health staff, high technology diagnostic equipment, expanding hospital infrastructure and capacity building to effectively plan, manage and account for both financial and human resources.

The chapter consists of audits of 28 Regional Referral Hospitals, two Zonal Referral Hospitals, and three Specialised Hospitals.

Also, the chapter highlights significant challenges and specific issues related to health management by Referral Hospitals which need the attention of the Government, Parliament, and Management of respective referral hospitals to ensure efficient functioning of their operations. Notable challenges include budget constraint to finance medical services, shortage of medical supplies, inadequate patient record keeping system, inadequacy of essential medical supplies and drugs, and infrastructure limitation. Details of key audit issues observed are presented hereunder.

12.1 Frequent Shortage of Drugs and Medicines at Referral and Specialised Hospitals worth TZS 6.96 billion

Para 3.3.1.5 of the NHIF User Manual released 1 June, 2019 requires the service provider to issue form 2C¹⁹ to an NHIF member where such service provider has no medicines to dispense to the outpatient and admitted NHIF patients.

¹⁹ NHIF form 2C is a form issued to outpatient and admitted patients so as to get medicines from other accredited NHIF outlets due to such drugs being missing at Hospital.

I reviewed NHIF's out of stock medicine reports from the portal. I revealed that 26 Referral Hospitals and three specialised Hospitals issued form 2C to patients to collect drugs and medicine worth TZS 6.96 billion from other accredited NHIF outlets due to shortage of such drugs and medicines from hospitals.

The shortage is due to unavailability of drugs and medicine from the Medical Stores Department (MSD) and non-consideration of the clients' needs on the hospitals plan. Lack of medicines in hospital fosters the use of over-the-counter medicine or products from unqualified sources, exposing patients to the risk of using counterfeit or substandard products. **Table 96** shows the list of hospitals having shortage of drugs and medicine.

Table 96: Hospitals with Shortage of Drugs and Medicines

SN	Name of Referral & Specialised Hospitals	Amount (TZS)
1	Amana	92,510,769
2	Mbeya	87,420,430
3	Mbeya ZRH	559,674,830
4	Singida	239,603,466
5	Songea	96,780,370
6	Temeke	98,849,345
7	Tumbi	90,308,608
8	Iringa	403,458,765
9	Mount Meru	286,227,586
10	Mwananyamala	61,566,021
11	Njombe	74,433,815
12	Tanga	918,724,481
13	Dodoma	643,941,485
14	Mawenzi	524,879,435
15	Simiyu	28,788,274
16	Katavi	99,121,375
17	Bukoba	462,513,250
18	Geita	52,437,655
19	Maweni	162,981,867
20	Morogoro	304,376,780
21	Musoma	504,553,630
22	Songwe	59,925,975
23	Tabora	365,969,605
24	Ligula	20,681,490
25	Sumbawanga	249,836,543
26	Manyara	76,073,090
Specialised Hospitals		
1	Benjamini Mkapa	270,342,845
2	Kibong'oto IDH	26,185,075
3	Mirembe & Isanga Institute	93,705,916
Total		6,955,872,776

Source: Individual management letter 2020/21

Due to shortage of drugs and medicines, the respective hospitals have been losing substantial money that could have been used to run the hospital operations efficiently.

I recommend the Permanent Secretary of the Ministry of Health, Community Development, Elderly and Children to collaborate with the management of respective Hospitals and Medical Stores Department in ensuring healthcare facilities have sufficient medicines to cater for the hospital's demand throughout the year. In addition ensure timely release of allocated funds to MSD which meet the country demand.

12.2 MSD Holding TZS 14.1 billion Hospitals' Funds without Supplying Drugs, Medicine and Other Medical Supplies

Reg. 140(3) and 141(3) of Public Procurement Regulations (2013) requires MSD to arrange for the procurement of catalogue and non-catalogue items that are needed continuously or repeatedly over a set period. Contrary to the cited regulations, my review of the MSD statement of accounts for the year ended 30 June 2021 on sampled hospitals noted that the Referral Hospitals had a total unspent balance of TZS 14.1 billion at MSD that was to be used for procurement of drugs, medicine and medical supplies.

I am of the view that holding significant cash for more than a year that could curb shortage of drugs, medicines and other medical equipment for targeted hospitals may hamper service delivery and thus make it challenging to provide appropriate medical services. The list of Hospitals with substantial cash held by MSD is tabulated in **Table 97**.

Table 97: List of Hospitals with Substantial Amounts of Cash Held by Medical Stores Department

SN	Name of Referral & Specialised Hospital	Amount (TZS)
1	Amana	802,699,518
2	Mbeya	432,556,594
3	Mbeya ZRH	653,766,845
4	Singida	671,590,422
5	Songea	309,008,324
6	Njombe	156,924,571
7	Tanga	808,183,837
8	Dodoma	901,608,315
9	Katavi	204,990,782
10	Musoma	498,056,819
11	Maweni	400,992,174
12	Mirembe & Isanga Institute SH	742,991,702
13	Sokoine	192,123,401

SN	Name of Referral & Specialised Hospital	Amount (TZS)
15	Songwe	384,513,323
16	Tabora	527,647,894
17	Ligula	304,002,687
18	sumbawanga	162,656,237
19	Sekou Toure	1,068,498,585
20	Manyara	565,579,675
21	Tumbi	554,228,473
22	Temeke	744,563,782
23	Iringa	396,189,741
24	Mount Meru	480,851,096
25	Morogoro	261,195,233
26	Shinyanga	749,601,944
27	Mawenzi	1,127,745,292
	Total	14,102,767,263

Source: Individual management letter 2020/21

In my opinion, the above-noted challenges are attributed to the absence of a legal binding agreement that necessitates the Medical Stores Department to supply out of the stock catalogue and non-catalogue items on behalf of hospitals from other suppliers by using the allocated fund.

I recommend the Management of Respective Referral Hospitals to collaborate with the Government to ensure consistent medical supplies in referral hospitals. I also recommend the Government together with the management of RRH to, make a legal binding agreement with Medical Store Department. Further MSD shall refund the balance to the respective Hospitals and the Government in case of out of stock.

12.3 Loss of Revenue due to Rejection of Health Insurance Claims TZS 3.18 billion

Section 27(2) of the National Health Insurance Fund Act, 1999 states that the Fund may deny or reduce the payment of false or incorrect claims or when the claimant fails without justifiable cause to comply with the rule or regulations on payment of claims made under this Act.

Referral hospitals provide medical services to NHIF members and medical charges are claimed under agreed terms and conditions. My scrutiny on revenue collection from health insurance claims observed that 30 hospitals had total rejection claims of TZS 3.18 billion mainly due to improper filling of outpatient information such as names of patients and doctors' signatures as well as a poor system of handling patients records. I noted that out of TZS 48.63 billion claimed funds from the sampled hospitals during the year

only TZS 45.44 equivalent to 93.5% was accepted and refunded; consequently, hospital claims amounting to TZS 3.18 billion equivalent to 6.5% were rejected by NHIF.

During the year I noted that, Benjamini Mkapa Specialised hospital had significant rejected claims by 23% of total rejected, followed by Dodoma Regional Referral Hospital had 19%, and Mbeya Zonal Referral Hospital had 14%.

In my view, the rejected claims caused loss of revenue to hospitals which in turn limited the implementation of hospital services. A list of hospitals with irregularities noted are shown in **Table 98**.

Table 98: List of Regional/Zonal Referral Hospitals with Rejected Insurance Claims.

SN	Hospital	Amount Claimed (TZS)	Reimbursed Amount (TZS)	Rejected Amount (TZS)
1	Amana	927,383,385	849,094,285	78,289,100
2	Mbeya	603,979,315	582,280,270	21,699,045
3	Mbeya ZRH	11,434,869,635	10,973,869,635	461,000,000
4	Singida	1,753,870,365	1,684,022,025	69,848,340
5	Songea	713,122,175	682,333,650	30,788,525
6	Temeke	1,529,418,070	1,353,776,245	175,641,825
7	Tumbi	945,499,455	865,764,051	79,735,404
8	Iringa	1,615,615,060	1,590,922,965	24,692,095
9	Njombe	425,759,910	419,339,795	6,420,115
10	Mount Meru	981,372,805	939,377,140	41,995,665
11	Mwananyamala	775,141,966	705,905,915	69,236,051
12	Tanga	1,758,286,585	1,675,971,555	82,315,030
13	Dodoma	3,234,992,350	2,628,262,924	606,729,426
14	Mawenzi	1,618,427,085	1,536,808,180	81,618,905
15	Simiyu	320,036,770	301,611,460	18,425,310
16	Katavi	197,274,030	172,044,700	25,229,330
17	Bukoba	1,451,283,975	1,378,708,200	72,575,775
18	Geita	447,152,650	428,672,870	18,479,780
19	Morogoro	1,208,892,060	1,115,343,435	93,548,625
20	Sokoine	426,164,055	391,891,897	34,272,158
21	Songwe	625,933,215	607,671,285	18,261,930
22	Tabora	526,688,580	493,541,220	33,147,360
23	Ligula	628,117,940	587,737,710	40,380,230
24	Sumbawanga	645,138,695	592,395,760	52,742,935
25	Sekou Toure	1,380,481,115	1,285,603,185	94,877,930
26	Shinyanga	690,428,510	649,445,473	40,983,038
27	Manyara	841,845,900	828,522,325	13,323,575
	Specialised hospitals			
28	Benjamini Mkapa	10,045,660,756	9,302,496,771	743,163,985

SN	Hospital	Amount Claimed (TZS)	Reimbursed Amount (TZS)	Rejected Amount (TZS)
29	Mirembe & Isanga Institute	499,475,545	462,145,795	37,329,750
30	Kibong'oto IDH	374,047,590	357,145,705	16,901,885
Total		48,626,359,547	45,442,706,425	3,183,653,122

Source: Individual management letter 2020/21

As in the previous year, Hospitals continued to have substantial rejected claims an increase of TZS 1 billion equivalent to 46% from TZS 2.18 billion to TZS 3.18 billion, respectively, This Trend may jeopardise provision of medical service to the public.

I recommend the RRHs to review claims appropriately before submitting them to NHIF for reimbursement. In addition, liaising with NHIF for more training and seminars on NHIF compliance issues and service provision are conducted to eliminate faults noted.

12.4 Health Professionals Practicing without Active Licenses

Sect. 16 (1) of the Pharmacy Act, 2011 stipulates that person shall not be entitled to provide services as a pharmacist unless he is duly registered. Also, requirements No. 11.1.4 and 11.1.5 of Chapter 5 of Basic Standards for Health Facilities for Hospitals at the level I and II issued by the MoHCDGEC in 2017 state that 'No health professional shall practise his/her profession in the hospital without having a professional license from the appropriate organ.

I found that 320 health professionals from six referral hospitals practice their profession without having active professional licenses. The reasons include non-verification of practising license status for the health professionals in the hospital, as detailed in Table 99 below.

Table 99: Referral Hospitals with Health Professionals without Active Practicing Licenses

SN	Name of Referral Hospital	No. of professionals
1	Amana	71
2	Mbeya	25
3	Mbeya ZRH	104
4	Temeke	72
5	Tumbi	27
6	Sokou toure	21
Total		320

Source: audit of Health professionals in Referral Hospital 2020/21

In the absence of practising license, the professional services rendered may not be of the desired standard and in case of medical malpractice the hospital management may fail to hold accountable the engaged employee.

Therefore, I recommend the Accounting Officer of the Ministry of Health, Community Development, Elderly and Children to put a mechanism that will monitor and ensure that all practising professionals have active practising licences.

12.5 Lack of Basic Equipment in Doctors Consultation Rooms

Annex 3b of the Basic standards for health facilities volume 3 of the Ministry of Health, Community Development, Gender, Elderly and Children requires a level 2 hospital's consultation rooms to have several essential equipment to aid doctor's work. These equipments include Stethoscopes, Clinical thermometers, Tongue depressors, Fetoscopes/Doppler, Diagnostic sets, Vaginal examination tray, Sphygmomanometers, Hand torches, Screen four folds 1, Guided Airways Adults 5 and Children 5, Sinks with running water.

In my audit, I found that three Regional Referral Hospital, doctors' consultation rooms had no equipment stated in the Basic standards for health facilities volume 3 of the Ministry of Health, Community Development, Elderly and Children. This situation has significantly contributed to some patients being attended without being properly assessed and hinders doctor's performance in providing medical services. The list of Hospitals lack of Basic Equipment in Doctors Consultation Rooms is shown in Table 100.

Table 100: List of Regional Referral Hospitals Lacking Basic Equipment in Doctors Consultation Rooms

SN	Hospital	Observation	Equipment Missing
1	Amana	Lack of Basic Equipment in Doctors Consultation Rooms	These equipments include Clinical thermometers, Tongue depressors, Diagnostic sets, Vaginal examination tray, Sphygmomanometers, Hand torches, Screen four folds 1, Guided Airways Adults 5 and Children 5, Sinks with running water

SN	Hospital	Observation	Equipment Missing
2	Mwananyamala	Lack of Basic equipment in doctors' consultation rooms	Stethoscopes, Clinical thermometers, Tongue depressors, Foetoscopes/Doppler, Diagnostic sets, Vaginal examination tray, Sphygmomanometers, Hand torches, Screen four folds 1, Guided Airways Adults 5 and Children 5, Sinks with running water
3	Dodoma	Lack of Basic Equipment in Doctors' Consultation Rooms	Stethoscopes, Clinical thermometers, Tongue depressors, Foetoscopes/Doppler, Diagnostic sets, Vaginal examination tray, Sphygmomanometers, Hand torches, Screen four folds 1, Guided Airways Adults 5 and Children 5, Sinks with running water

Source: Individual management letter 2020/21

However, I am of the view that this situation is due to the lack of funds to acquire medical equipment in the hospitals and hospitals management not giving priority to these essential instruments; Consequently, the medical service offered to the public may not be of the desired standard.

I recommend the Government to allocate sufficient funds to the Hospitals to acquire the required high technology diagnostic equipment.

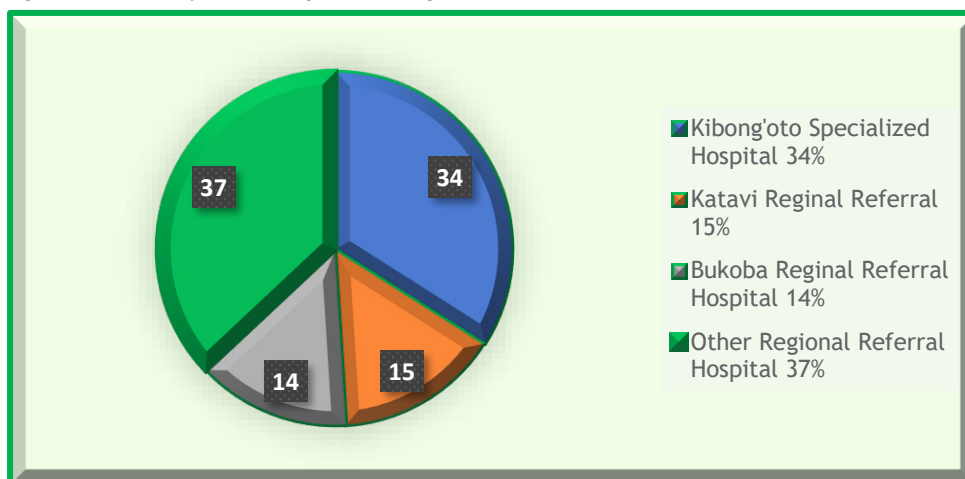
12.6 Expired Drugs not Disposed-of TZS 1.63 billion

Regulation 10 of 2015 of Tanzania Food, Drugs and Cosmetics requires In-charge of facility or hospital Pharmacist to initiate disposal of unfit products.

I discovered that Pharmacy stores of 19 Regional Referral hospitals have drugs and medicine worth TZS 1.63 billion that have expired. However, hospital management has taken no action to dispose-off such items. This is the result of receiving medicine from MSD and donated medicine with a short life span, decrease of consumption due to introduction of another medicine or change in the guideline for using existing drugs. List of Hospitals with expired drugs are shown in **Table 101**.

I also noted that 34% of the expired drugs are from Kibong'oto IDH Specialised hospital TZS 552 million, followed by Katavi Regional Referral Hospital TZS 248 million having 15%, Bukoba Regional Referral hospital TZS 221 million having 14%. while other Regional Referral hospitals are represented by TZS 608 million, equivalent to 37% of the total expired drugs as illustrated in **Figure 32**.

Figure 32: Analysis of expired Drugs



Source: Individual management letter 2020/21

Table 101: List of Hospitals with Expired Drugs

SN	Name of Referral & Specialised Hospital	Amount (TZS)
1	Amana	8,077,390
2	Mbeya	26,314,266
3	Mbeya ZRH	71,380,890
4	Singida	73,473,357
5	Songea	28,060,800
6	Temeke	33,038,200
7	Tumbi	38,526,662
8	Mount Meru	32,969,087
9	Mwananyamala	11,131,577
10	Tanga	8,289,168
11	Dodoma	133,901,896
12	Simiyu	15,935,100
13	Katavi	248,000,000
14	Bukoba	221,643,244
15	Morogoro	24,052,091
16	Sumbawanga	12,680,997
17	Shinyanga	36,343,380
18	Manyara	54,607,822
19	Kibong'oto IDH	552,144,676
Total		1,630,570,603

Source: Individual management letter 2020/21

Accumulation of expired health commodities without disposing of poses risks of being misused, threatening patients' health. Also, if not handled properly may harm the environment and health of the community.

I recommend Regional Referral hospitals to collaborate with the relevant authority to ensure expired medicine and medical supplies are disposed of without further delay. Also, Referral Hospitals should avoid receiving medicine with a short shelf life to prevent the early expiration of medical supplies.

12.7 Underutilization, Unserviceable and Non-function of Hospital Equipment and Machines.

Regional Referral Hospitals are aimed to enable citizens to access specialist referral services close to where they live. In achieving this goal, the Government set out through the guidelines issued by the Ministry of Health, Community Development, Gender, Elderly and Children dated October 2019 for running Regional Referral hospitals to improve specialist health services and infrastructure to achieve the goal of providing quality services.

During my review, I found that 15 Referral Hospitals received various equipment and machines from the Ministry of Health, Community Development, Gender, Elderly and Children and Donor to improve community health services in Regional Hospitals. However, I noted the existence of two equipment and machines that are underutilised, eight unserviceable and five are non-functioning at all. The main reasons for the noted challenges are lack of biochemistry reagents at hospitals, expertise and funds for acquiring adequate working equipment and major repair as detailed in **Appendix XLIII**

Under these circumstances, many patients are being transferred to other hospitals once they fail to get health service at the Regional Referral hospitals. Also, due to technological change, the machine may become obsolete without being fully utilised and hence not achieve value for money.

I recommend to the Ministry of Health, Community Development, Gender, Elderly and Children in collaboration with management of Referral Hospitals to ensure the availability of biochemistry reagents to the hospital and allocate enough funds to facilitate major repair services for hospital equipment.

12.8 Procurement of Medicines and Medical Supplies without Confirmation of Out of Stock from MSD TZS 311.14 million

Regulation 140 (5) of the Public Procurement Regulations, 2013 requires that where the catalogue items requested to be purchased by the procuring entity are not available at MSD, the Department is required within one working day of receipt of the request to issue a non - availability notice to the procuring entity.

Further, Paragraph 2.4 of Region Hospitals Operating Guidelines issued in June 2019 by the Ministry of Health, Community Development, Gender, Elderly and Children requires the Hospital's Director to approve the out-of-stock medicines by filling in the order form to purchase them from the approved prime vendor.

However, on review of Referral Hospital, I noted that five RRHs had procured drugs and medical equipment worth TZS 311.14 million from private suppliers without the approval of MSD to confirm out of stock. The management of Referral Hospitals did not comply with directives stipulated in Region Hospital Operation Guidelines. The list of hospitals is shown in Table 102.

Table 102: List of hospitals with procurement of Medicines without confirmation of out of stock by MSD

SN	Regional Referral Hospital	Amount (TZS)
1	Iringa	54,854,100
2	Simiyu	24,173,667
3	Bukoba	90,017,000
4	Musoma	24,051,412
5	Manyara	118,044,690
Total		311,140,869

Source: Individual management letter 2020/21

This anomaly poses the risk of procuring drugs and medical equipment from private suppliers at higher prices compared to MSD and ultimately causes the loss to the Government. Apart from that, Sourcing drugs and medical facilities to private pharmacies malpractice could happen at hospital level as MSD has no control.

I recommend Referral Hospitals to ensure that all procurements of medicines and other hospital supplies are not done to private suppliers unless relevant evidence of out of stock is obtained from MSD as required by Reg. 140(5) of the Public Procurement Regulations, 2013.

12.9 Insufficient Measures Taken to Reduce maternal and Neonatal Mortality

According to Maternal and Perinatal Death Surveillance and Response (MPDSR) guideline issued by the Ministry of Health, Community Development, Gender, Elderly and Children dated October 2019 in chapter 1, page 2 requires all maternal and perinatal deaths to be identified, notified, discussed and measures to be taken to prevent similar deaths from occurring in the future.

However, upon reviewing the implementation of the mentioned guideline for the year ended 30 June, 2021 for sampled Referral Hospital, I noted the existence maternal and Neonatal Mortality at nine²⁰ Referral Hospitals. Deaths were due to lack of maternal and neonatal mortality service quality improvement plans in the hospitals and delay in taking actions by management.

In my view, by not taking appropriate measures to prevent maternal and neonatal mortality could result in a high number of such death.

I recommend to the Permanent Secretary of Ministry of Health, Community Development, Gender, Elderly and Children together with Management of RRH to address all challenges facing the implementation of Maternal and Perinatal Death Surveillance and Response (MPDSR) guideline to achieve the intended objective.

12.10 Inadequate Delivery of Referral Services in Regional Referral Hospital (RRH)

During my audit of RRH, I found that Para 2.4 of the Operational Guideline for Regional Referral hospitals issued on June 2019 by the MoHCDGEC requires the Regional Referral hospitals to have adequate medical specialists, medicines and equipment.

Contrary to cited regulation, I noted that a total of 13,583 patients were referred out as a result of the existence of few medical practitioners in Regional Referral hospital and lack of specialised equipment such as Abbot Architect CI 4000 Chemistry analyser, MRI and CT scan. **Table 103** shows more details.

²⁰ Singida, Temeke, Iringa, Njombe Dodoma, Bukoba, Geita, Musoma and Tabora.

Table 103: Regional Referral Hospitals with Inadequate Delivery of referral services

SN	Regional Referral Hospital	No. of Referral
1	Geita	684
2	Simiyu	389
3	Sokoine	841
4	Tabora	271
5	Ligula	10,800
6	Sekou Toure	598
Total		13,583

Source: Individual management letter 2020/21

It is my view that, in the absence of appropriate management of regional hospitals and ensuring sufficient medical equipment and specialists are available, it might lead to a loss of revenue for the hospital also reduced level of patients' satisfaction with services provided at the hospital.

I recommend the Government to allocate sufficient funds to the health sector to ensure that RRHs have sufficient specialists and medical equipment to improve community health services.

12.11 Abandoned Buildings and Slow Progress in the Construction of Regional Referral Hospital Buildings.

Physical verification conducted during the audit noted abandoned buildings and buildings under construction beyond the expected period.

During my audit of 33 Regional Referral hospitals, I noted cases where hospital buildings were abandoned and not completed on time. Also, I observed that out of the audited referral hospitals, one RRH had abandoned buildings and seven RRH was under construction at a slower pace as the completion of the projects was supposed to be between June 2020 and January 2021. The management attributed the noted issue to financial constraints. Detailed information is shown in Appendix XLIV.

The noted project delays resulted from several factors, including delays in the funds release for project implementation and unsatisfactory management of the projects implemented by using force account.

I recommend the Ministry of Health, Community Development, Gender, Elderly and Children to ensure timely release of project funds and strengthen internal controls over the projects implemented using force account. Also, ensure that the buildings are completed and put in use as planned.

12.12 Challenges in Using GoTHOMIS, Afya Care, eHMIS and GePG Payments Portal Systems at Regional Referral Hospital and Specialised Hospital

Hospitals in Tanzania are not behind in effective use of information Communication and technology in order to improve medical services and achieve strategic objectives. Hospitals are using the Government of Tanzania Hospital Management Information System (GoTHOMIS). However, During the year, I found that six Regional Referral Hospital have stopped using GoTHOMIS and now using Afya Care, 16 hospitals used both GoTHOMIS and Afya Care, two hospitals used eHMIS while Benjaminini Mkapa Specialised hospital used MED-PRO in the financial year.

I reviewed the internal controls and efficiency of Referral Hospitals installed systems that support hospitals operations. RRHs use GoTHOMIS, eHMIS and Afya Care systems to register patients and generate bills for payments. The systems are integrated with GePG which collect revenue through generated control numbers.

Contrary to Sec 26(1) of e-Government Act, 2019 which requires proper utilization and management of Government owned ICT resources to consider value for money, flexibility in customization, integration and interoperability in sourcing or using application software, I noted these are challenges that hinder the effective operations of the Hospitals System.

A review of revenue collection through GePG noted unreconciled TZS 9.41 billion between GePG with GoTHOMIS, eHMIS and Afya Care collection reports from seven RRHs as shown in Table 104.

Table 104: Unreconciled System Balances at Referral & Specialised Hospitals

SN	Name of RRH & Specialised Hospital	Collection by GePG (TZS) (A)	Total Collection by GoTHOMIS/eHMS & Afya Care (TZS) (B)	Difference (TZS) C= A-B
1	Singida RRH	3,219,333,084	1,271,453,330	1,947,879,754
2	Songea RRH	1,074,936,722	922,987,320	151,949,402
3	Benjamini Mkapa SP	1,488,074,740	2,116,897,897	628,823,157
4	Dododma RRH	2,629,996,759	5,364,410,726	2,734,413,967
5	Geita RRH	533,067,426	536,400,511	3,333,085
6	Tabora RRH	653,423,343	1,633,563,644	980,140,301
7	Sekou Toure RRH	1,410,616,516	1,688,974,730	278,358,214
8	Iringa RRH	2,993,181,730	1,122,836,325	1,870,345,405
9	Mount Meru RRH	2,116,897,897	1,488,074,740	628,823,157
10	Morogoro RRH	1,098,514,676	910,266,400	188,248,276

SN	Name of RRH & Specialised Hospital	Collection by GePG (TZS) (A)	Total Collection by GoT-HOMIS/eHMS & Afya Care (TZS) (B)	Difference (TZS) C= A-B
	Total	17,218,042,892	17,055,865,623	9,412,314,718

Source: Individual management letter 2020/21

Further, the following anomalies were noted:-

- Absence of exclusive and single system used by Regional Referral Hospitals in the collection of patients information.
- IT personnel at RRHs are not fully equipped and trained in the event of system disruption; they highly depended on system developers
- I found in seven RRHs GoTHOMIS and Afya Care are not integrated with the pharmacy dispensing unit consequently records from pharmacy could not be tracked in the system.
- Non-updating of inpatient data in the system (GoTHOMIS and Afya Care) at Mbeya RRH, Mwananyamala RRH, and Mawenzi RRH.

In my view, the noted anomalies were due to inadequate system support from the Ministry of Health, Community Development, Gender, Elderly and Children.

This situation has significantly contributed to unreliable data generated by the systems and may lead to misstatements in the financial statements. It also causes MoHCDGEC to lack accurate information on treated patients by Referral and Specialised hospitals.

I recommend the Ministry of Health, Community Development, Gender, Elderly and Children to utilise the system effectively. In addition, resolve the highlighted shortfalls to achieve value for money and meet users' requirements. Also, MoHCDGEC should establish a uniform system that RRH will use to collect clients' information.

CHAPTER THIRTEEN

AUDIT OF TANZANIA EMBASSIES, HIGH COMMISSIONS AND MISSIONS

13.0 Introduction

The GN No 385 of 7 May 2021 mandates the Ministry of Foreign Affairs and East African Cooperation to Managing and coordinating bilateral relations between the United Republic of Tanzania and other countries, Establishing and managing consular services, and coordinating regional and multilateral cooperation.

In that case, the Ministry of Foreign Affairs and East African Cooperation is responsible for maintaining and facilitating 43 Embassies, High Commission, and Permanent Mission in 41 overseas countries.

However, during the audit of 43 Embassies, High Commission, and Permanent Mission, in relation to the funds received from the Ministry of Foreign Affairs and East African Cooperation, I revealed various shortcomings in expenditure management, assets management, revenue, and economic diplomatic issues, which need Government's attention, as discussed hereunder:

13.1 Revenue Management

On analysing Revenue Management of the Embassies, High Commission and Permanent Mission, I revealed the following:

13.1.1 Losses Incurred from Underperforming Government Owned Company in Managing the Investment Property - USD 11.84 million (TZS 27.23 Billion)

On 11 September 2011, the Government of Tanzania registered a company called 307 East 53 Realty LLC in New York State Department (Registration No: 110930000). This Company was formed with the purpose of owning, operating, and managing investment building (including collection of rents) located at 307 East 53rd Street, New York, NY 10022 as per Section 4 of Operating Agreement signed on 30 September 2011 by then Permanent Secretary of Ministry of Foreign Affairs and International Cooperation.

The premises (307 East 53rd Street, New York, NY 10022) was purchased by the Government of Tanzania from AE-Timekeepers Associates, L.P (Seller) on 30 September 2011 at a price of USD 25 million.

During the review of the said company operations, I noted the irregularities as follows:

- i. I learned that the company (307 East 53 Realty LLC) entered into operating agreement with USA Based Company by the name of Amerimar Timekeepers Management Co. Inc, on 30 September 2011, to manage the investment (Tanzania Building) on its behalf. However, I noted that the agreement signed was not new but was modified from the agreement that the previous owner of the building (AE-Timekeepers Associates, L.P) had with the engaged company (Amerimar Timekeepers Management Co. Inc). In addition, I noted that the previous owner of the building (AE-Timekeepers Associates, L.P) is also the owner of the engaged operating company (Amerimar Timekeepers Management Co. Inc).
- ii. I also noted that the agreement had unfavorable condition that allowed the operating manager (Amerimar Timekeepers Management Co. Inc) to collect rent and utilize the collection in operating expenses. As such, no fund was remitted to the Company (307 East 53 Realty LLC) and the Government at large until the termination of the operating manager (Amerimar Timekeepers Management Co. Inc) on 30 April 2014.
- iii. Further, I noted that the Company (307 East 53 Realty LLC) entered into yet unfavorable operating agreement with two USA Based Companies (DJA Management Services Inc and Metropolitan Pacific Properties) at different times that also provide the room for the rent collection to be utilized without being remitted to the Company (307 East 53 Realty LLC) and Government. Until, when the Mission²¹ intervened on the collection and directed into the Mission Bank Account, which facilitated the sum of USD 3,501,797.26 to be collected from May 2014 up to February 2020.
- iv. My further scrutiny of 307 East 53 Realty LLC (the Government Owned Company) noted that during the acquisition of the building on 11 September 2011, there were eight tenants who were paying a total of

²¹ Permanent Mission of United Republic of Tanzania to United Nations - New York

USD 124,718.78 per month. However, I observed that the tenants were not renewing their contracts such that the last tenant left the building in 2020 due to non-maintenance of the building and inadequate efforts by the management of the company to ensure the building is occupied. If the company (307 East 53 Realty LLC) could have performed effectively, the government would have generated the minimum gross revenue of USD 15,340,409.94 (USD 124,718.78 x 123 months) from 30 September 2011 up to the time of audit on 30 December 2021 (123 months), equivalent to 61 percent of acquisition cost (investment cost) of USD 25,000,000. However, up to the time of audit on 30 December 2021, the company through the Mission collected only gross revenue of USD 3,501,797.26 out of the possible collection of USD 15,340,409.94, leaving unrealised gross revenue (losses) amounting to USD 11,838,612.68 (equivalent to TZS 27,228,809,164) for the collection not achieved.

- v. I conducted physical verification on the building on 16 December 2021 and revealed that only 5th and 6th Floor is occupied by the Mission. The Ground floor up to 4th Floor is unoccupied for the period ranging from 31 January 2012 and 28 February 2020 (when the last tenant left), causing the floor condition to worsen over the time.
- vi. Also, I noted the existence of outstanding property tax amounting to USD 204,064.25 from New York State Department. However, this property tax could have been settled by 307 East 53 Realty LLC instead of the Government through Other Charges from Treasury.
- vii. It is worth noting that, since the company is wholly owned by the Government, however, the financial statements in relation to the company for all years since incorporation have not been submitted to me for audit contrary to Section 5 of Public Audit Act, 2008.

From the pointed irregularities, I am of the view that, the main cause is due to negligence and poor decision making by those responsible. I am also of the view that, the investment of USD 25 million from taxpayers is yet to realize a return. Also, the investment still cost taxpayers moneys from unpaid bills and absence of maintenance.

I recommend a keen investigation to be conducted on the establishment and operation of 307 East 53 Realty LLC and appropriate action to be

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taken for all responsible for causing the loss of Government revenue. Also, I recommend the Government to find a better way of operating the building in order to generate the expected returns.

13.1.2 Misappropriation of Collection of Visa Fees at Embassy of Tanzania - Addis Ababa, Ethiopia TZS 33.71 million

Regulation 60 of the Public Finance Regulations, 2001 requires collectors of revenue who receive any duties, taxes, fees, rents, or other public moneys, whether of a revenue nature or otherwise, to pay the whole amount of such moneys daily or at the earliest opportunity, into a bank authorized by the accountant-General and obtain a receipt for the moneys so paid in.

Further, the letter (CJB/162/352/02C/82) issued by the Permanent Secretary of Foreign Affairs and East African Cooperation requires Visa fees and other revenue to be collected through the banking system.

However, my review of the Tanzania Embassy - Addis Ababa, Ethiopia revealed that the Embassy collected a Visa fee amounting to TZS 33.71 million in cash through the counter during the financial year 2019/20, contrary to the above-cited circular. Further, I noted that the funds collected in cash were not acknowledged and not promptly banked contrary to cited regulation. My further review of the transactions revealed that the unbanked revenue was not in the custody of the Embassy. This act suggests misappropriation of the fund by the dishonest staff.

In view of the above, the Embassy explained that the matter is under investigation by PCCB, CAG and Internal Auditor General. However, in my opinion, the main cause of the inadequacy was the absence of a robust internal control system over revenue management, thus raising the risk of losing the government revenue.

Considering the fact above, I recommend the Ministry of Foreign Affairs and East African Cooperation in collaboration with the Embassy to strengthen the Embassy's internal controls over operational activities to detect and control unfaithful acts of fraud.

13.1.3 Non remittances of Non-Tax Receipts (Visa Fees) to Consolidated Fund TZS 679.6 million at Washington DC

Section 11 Public Finance Act, 2001 revised 2020 requires all revenues collected for the purpose of the Government to be paid, into and form a Consolidated Fund.

In view of above stipulation, I noted that the Embassy of Tanzania - Washington D.C collected a total of TZS 679.6 million from Visa fee during the financial year 2019/20. However, I noted that the Embassy did not remit the respective collection of Visa fee to the Consolidated Fund as per above cited Section 11.

Regarding that, I was informed that the main cause was under-release of funds from the Ministry of Foreign Affairs and East African Cooperation that prompted the Embassy to retain the funds to facilitate its activities. However, it is my opinion that the unremitted amount might have been utilized in unintended activities instead of Government priorities activities.

I recommend the Ministry of Foreign Affairs and East African Cooperation to ensure non tax receipts from the Embassies and High Commission are remitted to the Consolidated Fund as per Section 11 Public Finance Act, 2001 (Revised 2020).

13.1.4 Unclaimed Deposit Funds not Remitted to Consolidated Fund TZS 1.63 billion

Regulation 133 of Public Finance Regulations 2001 requires unclaimed deposit for more than five years to be paid into consolidated fund as revenue with the approval of the Accountant-General, and refund will be made to entitled person if he or she is satisfied that the claim is authentic.

During the review of the operation of Embassies, I noted that two sub votes (in table below) had a deposit funds amounting to TZS 1.63 billion for the period ranging from 15 to 16 years, not remitted to Consolidated Fund, contrary to the requirement of Regulation 133 of Public Finance Regulations 2001. Details of the unclaimed deposit and their respective purpose is as shown in the **Table 105** below.

Table 105: Unclaimed Deposit Balances not Remitted to Treasury

Sub vote No.	Description	Purpose	Duration in Years	Amount TZS
2002	Tanzania Embassy in Berlin	Collections from sell of house	16	1,609,347,646.08
2021	Tanzania High Commission in Kampala	unpaid funds for Students pursuing University programs in Uganda	15	21,055,126.26
Total				1,630,402,772.34

Source: Management Letters

Regarding the above, it is my opinion that the long-deposited fund implies inadequate management of financial resources, thus deny benefit to the public which could have been realized from the idle fund.

I recommend management of the respective Embassy and High Commission to remit the deposit fund to the Consolidated Fund as per Regulation 133. The Parent Ministry and Ministry of Finance and Planning should make follow up of the implementation thereon.

13.2 Expenditure Management

My audit of Tanzania Embassies, High Commissions and Permanent Missions found irregularities in management of expenditure as illustrated in the following paragraphs:

13.2.1 Delay in Settlement of Legal Obligations Leading to Government Aircraft Being Detained and Nugatory Payments - USD 2.74 million (Equivalents to TZS 6.34 billion)

My audit of Tanzania High Commission - Ottawa noted that, the Government had a legal case (CV 19-00630982-00CL) in Ontario Superior Court of Justice Commercial List, Canada filed by Sunlodges Ltd (British Virgin Island) and Sunlodges (T) Ltd (Tanzania) in September 2020 and January 2021 to be granted with Exparte Order of detaining Bombardier Dash 8-Q400 and Airbus A220-300 which were under construction by De Havilland Aircraft Limited, Canada and Airbus Canada Limited Partnership's manufacturing, respectively. The claimant filed a case against the Government for failing to pay a total of USD 20.5 million resulted from unlawful detained of his land as ordered by International Netherlands Commercial Court.

Regarding the case, the Government through the Office of Solicitor General contracted (letter of engagements dated 22 November 2019) a foreign legal firm based in Canada by the name of McCarthy Tetrault, LLP to represent the Government in the case hearing at Ontario Superior Court of Justice Commercial List, Canada.

On scrutiny of the above legal case proceedings and ruling, I noted the following shortcoming which are in need attention:

- i. After the court hearing, I noted that the Government was ordered to compensate Sunlodges Ltd (British Virgin Island) and Sunlodges (T) Ltd (Tanzania) a total of USD 23.01 million by 29 January 2021 and USD 4,203.01 as penalty per day, starting from the date of ruling (29 January 2021) up to the time when the Government will pay;

However, the Government through Ministry of Land, Housing and Human Settlement Development paid USD 23.24 million (PV No.0048000V2103727) on 01 April 2021, in respect of the ruling (inclusive of penalty of USD 4,203.01 per day for 62 days from 29 January 2021 to 01 April 2021). Thus, resulted to nugatory payment amounting to USD 2.74 million (TZS 6.34 billion) from the principal amount of USD 20.5 million as ruled by International Netherlands Commercial Court to the payment amount (USD 23.24 million).

- ii. I also noted that, the Government through the Commission paid USD 503,137.11 to McCarthy Tetrault (Legal Firm) for the provision of legal service in regard of the case. However, I could not confirm the procurement process of the McCarthy Tetrault, LLP (legal firm) as it was done through direct engagement from Office of the Solicitor General without considering competition for transparency and realization of value for money;
- iii. Besides that, I noted that Section 7 of letter of engagement with McCarthy Tetrault (Legal Firm) showed that the fees of professional services will be based on time spent by the firm lawyers (without specified the activities and rate charged per lawyer). However, I noted from the review of invoices paid (USD 503,137.11) that the invoices were based on the various activities, the number of key personnel (lawyers) and rate charged per hour which were solely determined by the legal

firm without being included in the letter of engagement (contract). Thus, it was difficult to confirm the validity of the activities conducted;

- iv. Apart from that, I revealed that the Commission had a total of USD 716,260.77 received from the Ministry of Works and Transport (Transport) and BOT and utilized the sum of USD 547,043.30 in paying for legal services and supervision cost, leaving USD 169,217.47 not utilized up to the time of audit (30 December 2021). However, I noted that there is no clear directives or plan of how the unspent balance of TZS 388,829,594.74 (USD 169,217.47) will be utilized considering the legal case had already been concluded.

It is my view that the failure of the Government to settle obligations on time was due to deficiencies in decision making by officials entrusted with the responsibility of managing public fund. Without effective decision making to the best interest of taxpayer's funds, the Government may continue to suffer costs that could have been avoided.

I recommend that the Government ensures that those entrusted officials consider best interests of taxpayers' funds. Also, full investigation should be carried out on the expenditures in regard to the cases associated with detained government aircraft in Canada. Further, guidance on the use of the unspent balance of USD 169,217.47 (equivalents to TZS 391.04 million) to be provided by Ministry of Finance and Planning.

13.2.2 Interest Accrued on Unpaid Property Tax - USD 89,162.61 (TZS 204,421,332.69)

The New York Department of Finance requires all property tax bills to contain a payment due date such that if the payment is not received or postmarked by the payment due date, the payment is considered late. Also, the interest rate for a late payment depends on the assessed value of the property, whereby, if the assessed value of property exceeded USD 450,000, the annual interest rate applied is 13%.

My audit of the property tax bill dated 27 February 2021 showed that the Permanent Mission of United Republic of Tanzania to the United Nations - New York, had property tax arrears of USD 376,768.60 computed based on property assessed value of USD 2,584,800. The bill payment due date was set to end on 1 April 2021.

However, I noted that the Mission paid only USD 172,704.35 to New York Department of Finance leaving the balance of USD 204,064.25 still unpaid up to 30 June 2021.

My further scrutiny revealed that the unpaid amount of USD 204,064.25 has escalated to USD 293,226.86 as evidenced by property tax bill dated 20 November 2021. The increase is due to interest on delayed payment of USD 89,162.61 equivalents to TZS 204,421,332.69 (as of 20 November 2021).

My audit showed that the interest charged on accrued property tax is due to the under release of funds by Ministry of Foreign Affairs and East African Cooperation. This anomaly raises the risk that the debt burden might become unbearable to the Government.

I recommend the Ministry of Foreign Affairs and East African Cooperation in collaboration with Ministry of Finance and Planning to ensure that the unpaid property tax is paid so as to avoid more cost escalation. Also, ensure funds requested by the mission are released on a timely basis.

13.2.3 Payments without Relevant and Adequate Supporting Documents TZS 667.68 million and Missing Payment Vouchers of TZS 676.72 million

Reg. 86 of Public Finance Regulation, 2001 that requires all disbursement of public money to be appropriately vouched and have attached to it full particulars of the services for which payments were made.

My audit noted that, two Embassies, one Mission and one High Commission made payments amounting to TZS 667.68 million without relevant and adequate supporting documents contrary to the cited regulation consequently the propriety of the expenditure could not be ascertained. Refer **Table 106** below for details.

Table 106: List of Embassies, Mission and High Commission with Inadequate Supporting Documents

SN	Entity	Amount (TZS)
1	Tanzania Embassy in Kinshasa	9,271,085
2	Tanzania Embassy in Paris	109,421,375
3	Permanent Mission of United Republic of Tanzania to United Nations - New York	120,561,336
4	Tanzania High Commission in Pretoria	8,202,970

SN	Entity	Amount (TZS)
5	Tanzania Embassy in Rome	420,220,494
Total		667,677,260

Source: Individual Management Letters 2019/20 and 2020/21

My audit also found that, at Addis Ababa and Rome, payment vouchers and their supporting documents amounting to TZS 341.09 million and TZS 335.63 million respectively were missing such that I could not obtain assurance on their propriety. According to Regulation 18(1) (f) & (2) of Public Finance Regulation, 2001, missing payment vouchers are regarded as cash loss and should be included in the statement of loss by the Accountant General. I also found that, payments amounting to TZS 221.44 million were transferred from USD account to BIRR expenditure account without evidence of approval from management.

I attribute the cause of unsupported expenditures with deficiencies in internal controls over expenditure management and pertinent Accounting Officers failing to take appropriate measures to address the deficiency. The noted anomaly raises the risk of fraudulent and fictitious payments.



I recommend Accounting Officers to continue strengthening internal controls on financial management systems to ensure all payments are appropriately and sufficiently supported with the required documents.

13.2.4 Unbudgeted Payments TZS 239.56 million

Sect. 27 (4) of Budget Act, 2015 states that, where an appropriation for the Government and public entities has been approved, it shall use it only in accordance with the purpose described and within the limits set by different classifications within the Government and public entity estimates.

My audit noted that, four embassies made payments amounting to TZS 239.56 million beyond the approved budget and without evidence of reallocations. Unbudgeted payments hinder effective implementation of planned activities thereby adversely affecting achievement of planned objectives.

Table 107: Embassies that made Payments beyond the Approved Budget

SN	Entity	Sub Vote	Amount (TZS)
1	Tanzania Embassy in Doha	2041	74,463,284.00
2	Tanzania Embassy - The Hague	2033	45,420,487.53

SN	Entity	Sub Vote	Amount (TZS)
3	Tanzania Embassy-Brussels	2019	5,316,908.00
4	Tanzania Embassy Moroni	2034	114,360,653
Total			239,561,332.53

Source: Individual Management Letters 2019/20 and 2020/21

I recommend management of pertinent embassies to ensure all expenditures are in line with the approved budget as required by the Budget Act.

13.3 Human Resources and Payroll Management

The audit of Human Resources and Payroll Management for the Tanzania Embassies in various countries and noted the following issues:

13.3.1 Shortage of staff

Order D.7 and D.8 (1) and (4) of Public Service Standing Orders, 2009, prescribe the role of the Recruitment Secretariat in filling the Vacancies occurring in the Public Service and the general procedures followed in the recruitment process.

However, my review of staff establishments noted shortage of 26 staff in six Embassies and High Commissions as shown in the table below:

Table 108: Shortage of staff in Embassies and Commissions

SN	Name of the Embassy	Required	Available	Shortage
1.	Tanzania Embassy - The Hague-Vote 2033	8	5	3
2.	High Commission of Tanzania - Kuala Lumpur, Malaysia-Vote 2032	6	4	2
3.	Tanzania High Commission in Lilongwe	7	4	3
4.	Tanzania High commission Maputo - Mozambique	17	11	6
5.	Tanzania High Commission - Nairobi	6	4	2
6.	Tanzania High Commission Windhoek - Namibia	20	10	10
Total		64	38	26

Source: Management Letters 2020/2021

The shortage of staff is due to failure to fill the vacant posts by the PO PSMGG as per requirement of staff establishments. I am of the view that this may affect the execution of planned activities by Embassies and Commissions as well as increase workload to the existing staff.

I recommend the Government through PO PSMGG to put more emphasis on assessing the human capital requirement in the operation of Embassies and High Commissions by filling the vacant posts.

13.3.2 Inadequate Performance of Staff Evaluation

My audit revealed the inadequate performance of staff evaluation by three Mission and High Commissions did not conduct performance evaluation contrary to Regulation 22 (1) of the Public Service Regulations, 2003 requires every organisation within the Public Service to establish an Open Performance Review and Appraisal System (OPRAS) for all its public servants.

Table 109: List of Embassies that did not Perform Staff Evaluation

SN	Name of Commissions and Mission
1.	Tanzania High Commission in Pretoria
2.	Mission of United Republic of Tanzania to United Nations - New York
3.	Tanzania High Commission, Ottawa - Canada

Source: Management Letters 2020/21

In my view, this anomaly was due to inadequate monitoring mechanisms on performing and assessing the achievement of targeted objectives. Failure to perform staff evaluation may hinder the Mission and High Commission from evaluating the performance of public servants, which is essential as it helps assess staff who are due for promotions, rewards, demotion, or sanctions.

I recommend the Accounting Officers to establish mechanisms for assessment and evaluation of staff who are working at the Mission and High Commissions in order to their performance.

13.3.3 Non-Payment of Staff Claims TZS 684.17 million

Contrary to Order E. 23 of the Standing Orders for Public Service, 2009 on arrears of salary, allowances, and other benefits which stipulates that staff claims should be paid whenever they arise. I noted non-payment of staff claims of TZS 684.17 million by two Embassies and two High Commissions as shown in the Table 110 below.

Table 110: Non-Payment of Staff Claims

SN	Name of the Embassy and Commission	FY 2020/21	FY 2019/20
1.	Tanzania High commission in Pretoria	290,335,796.48	290,335,796.48
2.	Tanzania Embassy in Kinshasa, Democratic Republic of Congo	243,200,667.00	242,944,881.00
3.	Embassy of Tanzania in Paris	83,242,630.74	82,359,623.28
4.	Tanzania High Commission in Kuala Lumpur	67,394,998.00	67,394,998.00
Total		684,174,092.22	683,035,298.76

Source: Financial Statements 2020/21

This issue is attributed by inadequate funds set aside by the Ministry of Finance and Planning (Treasury) to settle claims. Failure to pay claims will demoralize staff, affect their performance and the Embassies' overall performance.

I recommend the Accounting Officers to make follow up on payment of staff claims and the Ministry of Finance and Planning to set aside enough fund to pay all staff claims.

13.3.4 Inadequate Management of Local Staff Employment Contracts

Regulation 103 of The Public Service (Tanzania Foreign Service) Regulations, 2016 requires copies of all contracts of employment to be forwarded to the Permanent Secretary who shall also be notified of all changes in locally recruited staff.

However, I noted that the local staffs were issued with appointment letters without a contract and there was no evidence that the employment contracts were forwarded to the Permanent Secretary.

Also, I noted that the Tanzania Embassy in Ankara, Turkey, had renewed the contracts of the Local Based Staff by making a total increment of salaries amounting to TZS 48,448,680 before obtaining formal approval from the PS-MOFAEAC. List of Embassies/High Commissions with inadequate management of contracts is shown in **Table 111**.

Table 111: Inadequate Management of Contracts

SN	Name of Embassy	Number of Staff	Remark
1.	Tanzania Embassy in Doha	9	No Evidence of Contracts
2.	Tanzania Embassy in Ankara Turkey	5	Signed Contract increment of salary without approval from PS-MOFAEAC
3.	Tanzania Embassy in Paris	1	No contract
4.	Tanzania High Commission in Pretoria	15	Contracts not submitted to PS-MOFAEAC

Source: Management Letters 2020/21

It is observed that inadequate management of contracts with Embassies' and Commission's employees is due to inadequate management of local based staff by the Embassies and High Commissions, and this could result into cost burden to the Embassies and Commissions in case of any arising disputes with local staffs. It also denies the MOFAEAC from having accurate information on employees under its jurisdiction.

I recommend the Accounting Officer to draw contracts with clear terms and conditions to the local staffs in order to ensure effective management of its resources in-line with the established controls and send the copies of contracts to the PS-MOFAEAC as per requirements.

13.3.5 Allowances Paid to Local Based Staff Contrary to Foreign Service Regulation TZS 166.10 million

Regulation 97 (2) of the Public Service (Tanzania Foreign Service) Regulations, 2016 states that; "The locally engaged staff shall not be entitled to any of the privileges or allowances payable under Regulations."

My audit on the payroll management and staff affairs revealed that Tanzania High Commission - Nairobi paid allowances such as responsibility allowances, transport allowances and house allowances amounting to TZS 166.10 million to the local based staff contrary to the requirement. The anomaly noted is due to non-adherence of the Public Service (Tanzania Foreign Service) Regulations, 2016 and I am of the view that, payment of unauthorized allowances resulted into loss of public funds of TZS 166.10 million.

I recommend to the Accounting Officer to draft new contracts which exclude the payment of allowances to local staff so as to avoid further losses.

13.3.6 Non - payment of Contributions to National Social Security Fund of DRC (CNSS) Amounting to TZS 243.20 million

Labor provision Article 13 of National Institute of Vocational Preparation of Democratic Republic of Congo further clarified by Article 35 and 36 of ministerial decree No.0049 of 10 December 2012 requires payment of monthly contributions to the Fund within eight days of receipt of the notice.

Furthermore Article 40 of the same Ministerial Order explains that, late payment of the fees, is charged at a rate of 0.5% per day of delay from the expiry of the regulatory period.

However, I noted that the Tanzania Embassy in Kinshasa failed to pay monthly employees' statutory social security contributions which resulted to outstanding bill amounting to TZS 243.20 million issued by the DRC National Social Security Fund (CNSS) as required by the law.

The mentioned anomaly is attributed by management's lack awareness of the DRC laws and regulation. Consequently, the CNSS might decide to sue the Tanzania Embassy-Kinshasa and charge penalties which may lead to loss of Government funds.

I recommend the Accounting Officer to settle the matter by paying all the contributions as required by DRC's laws before legal proceeding are filled against the Tanzania Embassy in Kinshasa.

13.4 Asset Management

In my review of the management of assets of the Embassies, High Commission and Permanent Mission, I noted the following deficiencies as detailed hereunder:

13.4.1 Government Owned Land Plots Not Yet Developed

The records maintained at Tanzania Embassies indicate that the government via embassies owns land plots which were not yet developed. Out of 43 embassies audited during the year, I found 10 embassies with land plots not developed. As similarly reported in previous years, no actions have been taken to develop the land plots to improve working environment. See Table 112 below for details.

Table 112: Government Plots not Developed

SN	Embassy	Details
1	Tanzania High Commission in Kigali	Kigali owns a plot at Kacyiru North in Kigali City Rwanda. The plot area is 2,057.57 square meters, and the Plot was meant for office in respect of Head of Chancery.
2	Tanzania High Commission in Maputo	Plot (No. 157/1) to the Government of United Republic of Tanzania at Avenue Dos Martires da Machava No.874, which was acquired over forty-four years ago for the construction of the Chancery and Official Residence.
3	Tanzania High Commission in Nigeria	Two plots provided by the Nigeria Government since 1995, for construction of Chancery and Residential Buildings.
4	Tanzania Embassy in Bujumbura	Plot with 13,800 square meters at Buterere not developed.
5	Tanzania Embassy in Seoul Korea	2000 square meters at tourist area of Suncheon National Garden with condition of developing the land within six months from January 2018. Out of the Plot area, 800 square meters were taken back by the Suncheon City.
6	Tanzania Embassy in Moroni	In 2009, the Government of Comoro offered the Embassy with a Plot (4,000 square meters) and Tittle deed number 3835-DLD for its development and use
7	Tanzania Embassy in Saudi Arabia Riyadh	Plot not developed for constructions of Chancery Office and Residence
8	Tanzania Embassy in Muscat	Non development of Plot No. 24 situated in Diplomatic Quarters in AL-Khuwair.
9	Tanzania High Commission in Abuja	Two Plots of land, one with ref. No. THC/LAND/CHANCERY/ABUJA/01, located at Central Area District Cadastral Zone A00, for Chancery use and the other located at Maitama District Cadastral Zone A05, for residential land use. All Plots were handed to the Tanzania High Commission in Abuja on 24 April 1989.
10	Tanzania Embassy in Lusaka Zambia	Four Plots No. 6829 Olympia extension located at Katima Mulilo, acquired on 9/7/1975, 3215 square meters, Plot No. 10E, 377A, Kabulonga located at Chitemwiko Close, acquired on 9/13/1974, 6772 square meters, Plot No. 131, Munali, located at Mwambula Road, acquired on 6/28/1974, 2452 square meters and Plot No. 130, Munali, located at Mwambula Road, acquired on 6/28/1974, 2452 square meters

Source: ML of audited embassies

Since to develop a plot requires huge amount of money, it is my call to the Government to start allocating funds for development of the same. Embassies with plots not developed should come with plans and cost

projections to develop those plots which is implementable and start soliciting funds. Implementation can be on phases.

13.4.2 Significant Rents Paid for Leased House TZS 3.43 Billion and USD 186,000

Of 42 embassies audited, I found that six embassies and four Commissions are renting houses for offices and residential purposes. I noted that a total of TZS 3.43 billion and USD 186,000 were paid as rents which is considered not prudent should embassies had their own plots and constructed their own buildings. See Table 113 below for details.

Table 113: List of Embassies/Missions with Significant Amount of Rent Paid

SN	Name of Embassy	Amount (TZS)	Amount (USD)
1	Embassy of Cuba	27,829,185.94	-
2	Embassy of Tanzania in Muscat	300,081,928.00	-
3	Embassy of Tanzania in Stockholm	428,547,024.00	-
4	Embassy of Tanzania in Seoul	1,332,864,000.00	-
5	Embassy of Tanzania in Bujumbura	-	72,000.00
6	Embassy of Tanzania in Kinshasa	137,376,300.00	-
7	Tanzania High Commission in Abuja	841,080,362.25	-
8	Tanzania High Commission in Kigali	-	114,000.00
9	Tanzania High Commission in Lilongwe	169,488,980.08	-
10	Tanzania High Commission in New Delhi	190,800,000.00	-
Total		3,428,067,780.27	186,000.00

Embassies with undeveloped land plots and rented houses for offices and residential include Bujumbura, Kigali, Abuja, Seoul and Muscat. Government should strategize and capitalize on various opportunities identified by the Embassies that would help in generation of revenue as well as saving costs on lease charges.

I recommend Government via Ministry of Foreign Affairs to allocate budget of acquiring plot of lands in countries without plots and slowly initiates construction processes. There should be short and long-term plans of making sure all the plots are developed and where there's no plots, acquisitions should be made.

13.4.3 Buildings Not in Use

Buildings which are vacant for a long time can be utilized as income-generating assets. With proper research and planning embassies can use their vacant buildings to generate cash flows.

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I found two embassies and one mission with vacant buildings which have not been used and are in good conditions as shown under **Table 114** below

Table 114: Vacant buildings not in use

SN	Embassy	Remarks
1	Tanzania Embassy in Kinshasa	Houses located at Plot No.7952 in Binza town areas that have been vacant for more than 2 years and currently occupied by a local employee of the embassy as a caretaker due to the fact that the house is located in an area with security challenges and high traffic jam, with a difficult environment for a Diplomat to stay.
2	Tanzania Embassy in Harare	House No 23 Baines Avenue at Harare Embassy revealed that, Apartment No. 8 is in good condition but not leased by the Embassy since November 2020. We are of the view that, if the vacant house is leased, it could have generated revenue to the Government.
3	Permanent Mission of United Republic of Tanzania to United Nations - New York	Only 5 th and 6 th Floors are occupied by the Mission. The Ground floor up to 4 th Floor are unoccupied for the period ranging from 31 January 2012 and 28 February 2020 (when the last tenant left).

Source: ML of audited embassies

13.4.4 Abandoned Assets

Para 14 of Public Assets guidelines Revised Edition, 2019 requires every Accounting Officer to ensure that maintenance plan of an asset is prepared and adhered for the purpose of ensuring that assets remain useful for the intended purpose, service delivery and economically utilized to maximize benefit to the organization.

Out of 43 embassies audited, I found 16 embassies with dilapidated buildings and some of the buildings have been divested and they are located in prime areas. See Appendix XLV for details.

Also, I found 17 embassies and High Commissions with various PPE items not suitable for use and need to be disposed mainly Motor vehicles, Motorcycles, ICT equipment, furniture, and electronics. Those embassies are listed in **Table 115** below.

Table 115: Property, Plants and Equipment Items Neither Serviced Nor Disposed

SN	Embassy
1	Tanzania High Commission in Abuja
2	Tanzania Embassy in Brussels

SN	Embassy
3	Tanzania Embassy in Ethiopia
4	Tanzania Embassy in Bujumbura
5	Tanzania Embassy in Cairo
6	Tanzania Embassy in Harare
7	Tanzania Embassy in Kampala
8	Tanzania Embassy in Kigali
9	Tanzania Embassy in Kinshasa
10	Tanzania Embassy in Kuala Lumpur
11	Tanzania High Commission in Lilongwe
12	Tanzania Embassy in Lusaka
13	Tanzania High Commission in Maputo
14	Tanzania Embassy in Nairobi
15	Tanzania Embassy in India
16	Tanzania Embassy in Tokyo
17	Tanzania Embassy in Washington

Source: ML of audited embassies

I attribute the weakness to inadequate funds allocation in the annual budget for development activities and non-performance of regular maintenance of Government owned buildings. For public officers to deliver their services with utmost efficiencies, requires conducive working and residing environment. Working under dilapidated buildings not only eliminates working morale, but also is unsafe for employees.

I recommend the Government and responsible entities to rescue Embassies buildings from further deterioration by allocating adequate funds for maintenance. Regular maintenance of embassies buildings not only bring good image of our country abroad but can also be used as great source of revenue. Those assets which are no longer needed due to wear and tears should be disposed.

13.4.5 Government Assets not Marked with Identification Numbers

Para 9 of the Government Assets Management Guidelines revised edition 2019 requires every acquired asset to be identified by unique identification code/number. The identification will depend on nature of a particular asset class. For example, motorized assets to use registration number, land to use plot number, while furniture and equipment shall use bar code. Other asset classes each shall be identified according to the agreed and acceptable standards of identification.

Contrary to the guidelines, I found that seven Embassies having 174 PPE items which were yet to be coded with identification numbers. See **Table 116** for more details.

Table 116: Assets Not Coded

SN	Embassy	No of Assets	Asset Category
1	Tanzania Embassy in Addis Ababa Ethiopia	32	ICT and Furniture
2	Tanzania Embassy in Moroni	9	ICT and Furniture
3	Tanzania Embassy in Pretoria	17	13 ICT and furniture and four Motor Vehicles
4	Tanzania Embassy in Maputo	4	ICT equipment
5	Tanzania Embassy in Kinshasa	9	ICT and Furniture
6	Tanzania Embassy in Lusaka	60	ICT and Furniture
7	Tanzania Embassy in India	43	ICT and Furniture
	TOTAL	174	

Source: ML of audited embassies

Failure to inscribe government assets were mainly attributed to Inadequate Embassy initiative to perform asset verification as a control of updating their assets registers. However, it implies that assets not being coded with unique identification numbers creates chances of assets misappropriation without being detected by the management, as well as difficult in monitoring its movements.

I recommend all embassies to ensure that all existing and newly acquired assets are coded without further delay to prevent misappropriations of those assets and for controlling purposes.

13.4.6 Lack of Asset Maintenance Plan and Records

Para 14 of the Government Assets Management Guidelines revised edition 2019 requires every Accounting Officer to ensure that maintenance plan of an asset is prepared and adhered. The objective of the maintenance plan is to ensure that assets remain useful for the intended purpose, service delivery and economically utilized to maximize benefit to the organization.

Contrary to the Guidelines and Regulation cited above, I noticed that 12 embassies neither prepared Assets Maintenance Plan nor kept records for repair and maintenance as shown in the **Table 117**.

Table 117: Lack of Asset Maintenance Plan and Records

SN	ENTITY	Details
1	Tanzania Embassy in Doha	Non preparation of maintenance plan
2	Tanzania Embassy in The Hague	Non preparation of maintenance plan
3	Tanzania Embassy in Algiers	Non preparation of maintenance plan
4	Tanzania Embassy in Cairo	Non preparation of maintenance plan
5	Tanzania Embassy in Abu Dhabi	Non preparation of maintenance plan
6	Tanzania Embassy in Brussels	Non preparation of maintenance plan
7	Tanzania Embassy in Doha	Repair and Maintenance Records missing
8	Tanzania Embassy in The Hague	Repair and Maintenance Records missing
9	Tanzania Embassy in Algiers	Repair and Maintenance Records missing
10	Tanzania Embassy in Abu Dhabi	Repair and Maintenance Records missing
11	Tanzania Embassy in Brussels	Repair and Maintenance Records missing
12	Tanzania Embassy in Cairo	Repair and Maintenance Records missing

Source: ML of audited embassies

In my view the absence of assets maintenance plan as well as failure to maintain records for repair and maintenance is inadequate management of assets which has negative effects on operations of entities.

I recommend Embassies and High Commissions to have assets maintenance plan and ensure that repairs and maintenance records are maintained.

13.4.7 Failure to Review the Residual Value and Useful Life of Assets

Para 67 of IPSAS 17 requires the residual value and the useful life of an asset to be reviewed at least at each annual reporting date, and, if expectations differ from previous estimates, the change to be accounted for as a change in an accounting estimate in accordance with IPSAS 3.

I found five embassies whose residual value and the useful life of their assets at the reporting date were not reviewed contrary to above Standard, resulting into number of assets having zero Net Book Values but still in use.

Table 118: Embassies that did not review useful lives of assets

SN	Entity
1	Tanzania Embassy in Brazil
2	Tanzania Embassy in Pretoria
3	Tanzania Embassy in Abuja
4	Tanzania Embassy in Cairo
5	Tanzania Embassy in Kuala Lumpur

Source: ML of audited embassies

Failure to review residual value and useful life of an asset at least annually not only constitutes non-compliance with the requirement of Para 67 of IPSAS 17, also, might lead to misstatement of the financial statements.

I recommend the embassies in collaboration with Accounting Officer of the Ministry of Foreign Affairs and East African Cooperation to adhere to the requirements of para 67 IPSAS 17 and para 12.1 (ii) of the Public Assets Management Guideline, 2019.

13.5 Internal Control and Governance issues

I reviewed internal control systems and governance issue relating to Embassies, High Commission and Permanent Mission of Tanzania Abroad and revealed issues which are in need of Government attention as follows:

13.5.1 Assessment on Implementation of Economic Diplomacy Activities at the Tanzania Embassies and High Commissions

The Embassies oversee various vital functions, including strengthening international relations, promoting the development of the Tanzanians, and collaborating with foreign countries to promote the economic interests of the nation.

The Government through the Ministry of Foreign Affairs and East Africa Cooperation, in collaboration with Embassies and High Commissions, aims at achieving a good economic diplomacy relationship by implementing well-defined and coordinated activities in Embassies and High Commissions. The Ministry of Foreign Affairs and East Africa Cooperation, through Tanzania's Embassies and High Commissions, continues to implement economic diplomacy activities to secure better social and economic outcomes for our country.

I conducted an audit of Tanzania's Embassies and High Commissions to evaluate how they manage public funds and other resources, and how they utilize the resources allocated to them effectively, to promote the country's social and economic diplomacy.

My audit revealed that six Embassies failed to implement some of their planned economic diplomacy activities during the year under review (2020/21). I noted that the failure was attributed by the outbreak of COVID-19 pandemic, that led the host countries to impose strict measures, which

affect the implementation of the planned activities. Other noted cause was the budget constraints resulted from under release of fund from MOFAEC.

The Implementation status of diplomacy activities is summarized in **Table 119** below and much detailed information are provided in **Appendix XLVI**

Table 119: Status on Implementation of Economic Diplomacy Activities

SN	Embassy/ Commission	Approved Budgeted TZS	Actual Release TZS	Actual Expenditure TZS
1	Tanzania Embassy in Doha	75,600,000	10,876,666	10,876,666
2	Tanzania Embassy in Kinshasa	116,200,000	13,202,125	13,202,125
3	Tanzania High Commission in Lilongwe	57,000,000	12,518,558	12,518,558
4	Tanzania Embassy in Addis Ababa	138,750,000	2,541,360	2,541,360
5	Tanzania Embassy in Washington D.C	144,571,682	8,954,587	8,954,587
6	Tanzania Embassy in Kigali	58,973,504	58,973,504	5,947,209

Source: Individual Management Letters 2020/21

I am of the view that the inadequacy may deny the Government opportunities from investment, tourism and other diplomatic relation that could have been achieved from the implementation of the planned activities.

Considering COVID19 restrictions have been eased and activities have resumed in many host countries, I therefore recommend the Ministry of Foreign Affairs and East Africa Cooperation in collaboration with Embassies and High Commission, to reprogram and implement the economic diplomacy activities not implemented during COVID 19 pandemic.

13.5.2 Absence of Integrated Financial Management System

Control activities are defined under Paragraph 3.5 of the Ministry of Finance Guidelines for Enhancing Internal Control Frameworks in Public Sector Organizations as of December 2014 as policies and procedures designed to identify and mitigate risks to achieve internal control objectives. It includes internal control procedure manuals, which can either include financial and administrative controls or a series of procedure manuals.

Circular No. 5 of 2019 of the Permanent Secretary Ministry of Finance requires all accounting officers to install and use MUSE as their accounting system. It is further required by Circular No. 7 from the Accountant General for the preparation of 2020/21 financial statements that all financial statements are to be generated from an Integrated Financial Management System. The circular further provides guidance on public sector entities that do not have accounting software to prepare their annual financial statements using the Government Accounting Consolidation System (GACS).

However, during the audit of Tanzania's Embassies and High Commissions, I discovered that Embassies and High Commissions were yet to be installed with MUSE Accounting System, while the financial statements were not derived from GACS as per the Accountant General's directives. In the absence of an integrated financial management system, budgetary and financial activities could not be directly monitored by the Ministry of Finance and Planning.

I recommend the Ministry of Foreign Affair and East Africa Cooperation, in collaboration with the Ministry of Finance and Planning to expedite the process of installing and using integrated financial management systems within the Tanzania Embassies and High Commissions.

13.6 Procurement Management

In procurement management, I noted the following shortcomings as discussed below:

13.6.1 Delay to Implement Contractual Obligations on Rehabilitation of Office and Chancery Buildings at the Embassies TZS 6.62 billion (USD 2.11 Million)

My review on procurement and contract management at the Embassies and High Commissions revealed that the Embassies and High Commission at different periods had engaged various contractors in their host countries to undertake various rehabilitation works of the Chancery and residential buildings. However, I noted that there was a significant delay to rehabilitate the Mission's buildings for a period ranging from 48 to 120 months as shown in Table 120

Table 120: List of Embassies that delayed rehabilitation works.

Name of Embassy/High Commission	Period of delay (Months)	Nature of rehabilitation	Released amount (TZS)	Released amount (USD)
Maputo	120	Rehabilitation of donated building at Mozambique High Commission in Maputo	4,841,952,343.26	2,107,028.89
Kampala	48	Rehabilitation of the Chancery building at Kampala (Uganda High Commission)	1,781,917,813.75	783,393.35.00
TOTAL			6,623,870,157.01	2,107,028.89

Source: Individual CAG's management letters for 2019/20 and 2020/21

From the above noted delays, I revealed various irregularities from the two Commissions which requires government attention as explained in the following paragraphs:

13.6.2 Rehabilitation of the Chancery building at Tanzania High Commission in Kampala

On 4 June 2018, the Commission received USD 783.12 million (TZS 1.78 billion) from the Ministry of Foreign Affairs and East African Cooperation, for rehabilitation of the Chancery building at Kampala.

As a result, the Commission was instructed by the Ministry to proceed with the implementation of the project regarding the rehabilitation of the respective buildings. In that case, the Commission managed to obtain four bidders (Contractor) for the task. However, I noted that the Commission had failed to award the contract because the respective bidders had quoted high prices for the task beyond the available funds of USD 783.12 million (TZS 1.78 billion)

Apart from the above, I further noted that the Commission lacks a procurement specialist to carry out the procurement activities of the Commission. As such, I am of the view that the inadequacy might have also

limited the procurement of the respective project despite of shortage of fund.

I recommend to the Accounting Officers Ministry of Foreign Affairs and East Africa Cooperation to complete rehabilitation works in collaboration with the contractor to avoid unnecessary delays that increase costs in form interest and penalties. Also, I urge to liaise with the Ministry of Finance and Planning to ensure adequate flow of funds for the project.

13.6.3 Extraordinary Delays on Rehabilitation of Donated Building at Tanzania High Commission in Maputo

I also revealed that the Mozambique Government donated the building to the Tanzania High Commission at Maputo which was planned to be used for Office, Staff residence, and Commercial purposes.

However, up to the time of audit in December 2021, I found that the building was under rehabilitation for 10 years since the signing of rehabilitation contract works on 17 January 2012 with M/s Messrs Constructors do Montego at contract sum of USD 3.01million (revised) and original completion time of 16 January 2013. Further, I revealed that the contractor had abandoned the site during my project site visit in December 2021.

Where the work is delayed for reasons outside the contractor's control, the contractor may be able in certain circumstances to claim not only an extension of time, but also additional costs arising as a result of delay. Also, there were delays in responding to contractual issues raised by contractor.

However, I am of the view that the main cause was inadequate internal control over the procurement contract management which might tolerate high cost at the taxpayer's expense from renting private residences, which charged at higher rates, as well as continuing deterioration of Chancery Office and residential buildings.

I recommend Tanzania High Commission in Kampala Management to continue liaising with the Ministry of Foreign Affairs and East Africa Cooperation to speed up the prolonged procurement processes.

13.6.4 Embassies Diverged from Annual Procurement Plans TZS 1.86 Billion

Section 69(7) of the Public Procurement Act, 2011 (as amended in 2016) requires a procuring entity to draw up procurement plans for those requirements for which sufficient funds have been included in the approved budget in the current financial year or if payment will be due in the subsequent financial year, such payment have been budgeted for.

However, I noted that during the year ended 30 June 2021, six Embassies and High Commission procured goods and services amounting to TZS 1.86 billion which was not contained in the respective Missions' annual procurement plans. Since these procurements were not in the annual procurement plan, it is my view that the gap was due to improper planning during the budget preparation. Details are provided in Table 121 below:

Table 121: List of Embassies and High Commissions which diverged from the Annual Procurement Plan

SN	Name of Embassy/High Commission	Amount (TZS)
1.	Tanzania Embassy Abu Dhabi	13,503,434.72
2.	Tanzania Embassy in Doha	109,356,929.00
3.	Ethiopia in Addis Ababa	186,674,108.00
4.	Tanzania High Commission Burundi Bujumbura	682,217,375.00
5.	Tanzania Embassy in Harare	247,851,412.51
6.	Tanzania Embassy in Havana	624,257,415.00
	Total	1,863,860,674.23

Source: Individual CAG's management letters for 2019/20 and 2020/21

I recommend Management of Missions concerned to prepare realistic budget estimates which are used for preparation of annual procurement plans.

CHAPTER FOURTEEN

AUDIT OF POLITICAL PARTIES

14.0 Introduction

This part of the report summarizes key issues found during the audit of the Political Parties. Regulation 13 and 15(1) of the Political Parties (Funding) Regulations 2018, require each registered Political Party to prepare financial statements on the party's account and submit them to me not later than 30 September of each year.

I am required by Section 18A (2) (a) of the Political Parties Act Cap 258 (R.E 2019) to audit the financial statements of the Political Parties submitted to me. The audit objective is to provide and give reasonable assurance that the financial statements of the Political Parties are free from material misstatements, whether caused by fraud or error and have been prepared in accordance with the IPSAS framework.

I am also obliged to review and examine the internal controls over the activities of political parties in the management of properties and financial resources contributed by their members or subsidies received from the government. Until I concluded my report, the Registrar of Political Parties had full registered 19 Political Parties and all Political Parties registered had submitted their financial statements, which have been audited. The financial audit of the political parties has noted the following:

14.1 Delays in Submitting of Financial Statements for Audit Purposes

Every registered Political Party must prepare and submit a financial statement to me for audit not later than thirtieth September of each year in order to fulfil the requirement of Section 18A (2) (a) of the Political Parties Act Cap 258 (R.E 2019) and Regulation 4(1) of the Political Parties (Financial Accounting) Regulations GN. No.951/2019,

In the year under review, I found that three political parties did not submit their financial statements on 30 September 2021 as enshrined in Section 18A (2) (a) of the Political Parties Act Cap 258 (R.E 2019). The delays in the submission had ranged from 41 to 60 days. In their responses, the management admitted that the delays were attributed to the lack of funds to hire full time and competent professional accountants who would

prepare financial statements on time. The list of political parties is indicated in **Table 122** below.

Table 122: List of Political Parties which did not submit their Financial Statements on the statutory date

No.	Name of Political Party	Due date	Date submitted (Days)	Delays (Days)
1	United Democratic Party (UDP)	30-Sep-21	15-Nov-21	46
2	Chama Cha Kijamii (CCK)	30-Sep-21	10-Nov-21	41
3	National League for Democracy (NLD)	30-Sep-21	29-Nov-21	60

Source: Individual Reports

Even though the number of political parties that delayed submitting their financial statements has decreased from five reported in the last year to three this year, CCK and NLD still could not submit their financial statements on 30 September 2021. It is a concern that my previous year's recommendation was not implemented and, on that account, my audit timeline was not effectively implemented as per the audit calendar.

I recommend the Registrar of Political Parties to enforce the timely submission of the financial statements to my Office on or before 30 September 2021 and take measures against UDP, CCK, and NLD for their failure to comply with Section 18A (2) (a) of the Political Parties Act Cap 258 (R.E 2019).

14.2 Payments not Supported TZS 146.39 million

Political Parties are required to keep records and all information of payments made under Regulation 13(1) of the Political Parties (Funding) Regulations, 2018. I have examined and reviewed the expenditure of 19 Political Parties audited. In the course of the review, I found that five Political Parties had paid TZS 146.39 million for various payments, but no records were being maintained for payments made. Consequently, I could not avouch for the authenticity of the expenditure made. Details are indicated in the **Table 123** below.

Table 123: Unsupported Expenditure by Political Parties

No.	Name of Political Party	Amount (TZS)
1	Alliance for Democratic Change (ADC)	5,715,000
2	National Reconstruction Alliance (NRA)	16,797,904
3	Alliance for African Farmers Association (AAFP)	31,093,000
4	Chama cha Demokrasia na Maendeleo (CHADEMA)	37,030,000
5	Civic United Front (CUF)	55,755,000
	Total	146,390,904

Source: Individual financial statements

Accounting Officers of the responsible Political Parties have admitted that the missing records are the result of a lack of adequate controls, and they have acknowledged that they are working to address the issue. In comparison with my last report, I have noted a tremendous improvement as the number of political parties reported has decreased from 11 to 5 and the unsupported payments amount has also decreased from TZS 347.52 to TZS 146.39 million.

Despite such improvement, I am still recommending to the Accounting Officers of the Political Parties to ensure that the internal controls are well enforced for each payment made to have been fully supported with relevant documents.



14.3 Revenue collected from members not banked TZS 571.41 Million
To comply with Section 15(1) of the Political Parties Cap 258 (R.E 2019) and Regulation 7(2) of the Political Parties (Funding) Regulations, 2018, every registered political party must open and maintain a bank account in which all funds received from donations, bequests, subsidies, or contributions from members shall be deposited. In this context, no expenditure from the fund received would be incurred before the revenue collected or contributed being deposited. In the course of the audit, I found that ten Political Parties had collected TZS 571.41 million from their members.

However, the revenue collected were expensed before being banked; as a result, I could not avouch for the accuracy and completeness of the funds collected. Under the circumstances, I was also limited to certify if the reported revenue had categorically funded the declared expenditure. The list of Political Parties is as shown in **Table 124**.

Table 124: Revenue collected from Political Parties not banked

No.	Name of Political Entity	Amount (TZS)
1	National Reconstruction Alliance (NRA)	16,797,904
2	Democratic Party (DP)	9,640,000
3	Chama cha Ukombozi wa Umma (CHAUMMA)	125,263,173
4	Alliance for African Farmers Association (AAFP)	31,095,500
5	African Democratic Alliance (ADA-TADEA)	6,425,000
6	United Democratic Party (UDP)	281,861,000
7	Civic United Front (CUF)	22,886,150
8	Chama cha Kijamii (CCK)	65,291,140
9	United People's Democratic Party	10,019,500
10	Union for Multiparty Democracy (UMD)	2,130,000
	Total	571,409,367

Source: Individual financial statements

Management of the mentioned parties responded that some of the amounts contributed were small and were donated in an ad-hoc situation to finance the expenditure that comes at such a moment. That being the case, they have found it difficult to bank and then withdraw, as this practice appears to have increased bank charges, and they are not financially stable enough to sustain it. Compared to last year report, I have noted no improvement regarding this anomaly. Since the number of political parties reported in the previous year has increased from eight to ten this year, and the amount reported has also increased from TZS 244.58 to TZS 571.41 million. As noted, it is, therefore, my concern that the recommendation provided last year was not implemented.

In view of the failure to bank revenue collected, it is my opinion that the revenue collected was not accounted for and in more extreme cases, it exposes member's funds to the risk of being defrauded.

I recommend to the Accounting Officers of the Political Parties to ensure that all financial resources received in any form are appropriately banked. More significantly, the Political Parties' financial controls should be followed in withdrawing funds and making payments.

14.4 Assets Owned by TLP were not Declared to the Registrar of Political Parties

In consistent with Section 14 (1) (b) (ii) of the Political Parties Act Cap 258 (R.E 2019) all registered Political Parties are required to submit to the Registrar of Political Parties an annual declaration of all properties owned. In the audit of 19 Political Parties, I found that the Tanzania Labour Party (TLP) did not prepare and file the annual declaration of assets owned to the

Registrar of Political Parties. It has been years now that TLP has not been complying with the provisions of this Act.

During the audit, I noted correspondence between the Office of the Registrar of Political Parties (ORPP) and TLP concerning the matter. But I have noticed that the Registrar of Political Parties was yet to enforce any action. In the course of further review, I found that TLP did not maintain an updated assets register. That being the case, it has been unable to file the return to the Registrar.

In response, TLP management confirmed that they would prepare the asset register in the coming year and file it to the Registrar. Despite those responses, it is my standpoint that the records of the assets owned by TLP are not kept in view by the Registrar of Political Parties. Under any circumstances, there would be a controversy in ownership, and the Registrar would not be in a position to straighten it out.

Because of such a weakness, I recommend the TLP Accounting Officer ensure that the annual declaration of assets is filed to the Registrar. I am also advising the Registrar of Political Parties to keep in view for assets declaration forms to be filed by all Political Parties.

14.5 Leaders and Members Registers not Updated

Section 8C (1) of the Political Parties Act Cap 258 (R.E 2019) provides that every registered Political Party should prepare and regularly update the members and leaders registers at any administrative level of the party. On reviewing the accounts of 19 Political Parties, I found that TLP, UMD, Demokrasia Makini and the United People's Democratic Party (UPDP) had not updated their leaders and members registers, contrary to the referred Act.

It has been clarified by the TLP, UPDP, UMD, and Demokrasia Makini management in my previous reports that they are in the process of updating their registers. But the same registers have not been updated, yet no measures for non-compliance with Political Parties Act Cap 258 (R.E 2019) have been taken by the Registrar of the Political Parties. In the wake of such weakness, the number of Political Parties that did not prepare and update their members and leaders register has remained the same this year. Hence, I noted no improvement and my recommendation was not

implemented. Because of such as deviation, I could not vindicate the income from contributions to be received along with dues not collected from members.

I recommend the TLP, UPDP, UMD, and Demokrasia Makini Accounting Officers to take initiatives for their leaders and members registers to be updated; adequate follow-up implemented for contribution arrears to be paid.

14.6 Annual Return of the Board of Trustees Members not filed to RITA
The Board of Trustees of the Political Parties are established to comply with Section 21(1) of the Political Parties Act Cap 318 (R.E 2019). The Board of Trustees have been vested with the authority to manage properties, investment or any business of the Party. The Trustees Incorporation Act Cap 318 governs the incorporation of the Board of Trustees of the Political Parties and is supervised by the Registration, Insolvency and Trusteeship Agency (RITA).

As determined by Section 16(3) of the Trustees Incorporation Act Cap 318, every registered Trustee body is compelled to file a return within one month after the anniversary date that divulges the trustee's names, residential and postal addresses.

In the course of audit, I found that Tanzania Labour Party (TLP) did not file a return to the Administrator-General (RITA) inconsistent with Section 16(3) of the Trustees Incorporation Act Cap 318. I further found that, in October 2020, RITA had enforced penalties amounting to TZS 108,000 for the failure by TLP to file previous returns and was reminded to file the return in respect of the year under review. Until concluding the report, TLP was yet to file the return, and there was no action taken by RITA.

Compared with the last report, the number of Political Parties that did not file return has remained the same this year. This shows that my recommendation was not implemented. For the reason that TLP failed to file a Board of Trustees members return, there is a risk that RITA maintains incorrect information on the TLP Board of Trustees members.

I am still recommending to the Accounting Officers of the Political Parties to ensure that the trustee's annual return is filed to the Administrator-

General (RITA). Also, the Administrator General (RITA) is advised to take appropriate measures against political parties that do not file a return within prescribed period.

14.7 CCM has 108 Pending Litigations at Different Courts worth TZS 3.63 Billion

I have reviewed the CCM legal files and found that CCM has 108 cases filed by various Plaintiffs in different courts. The cases filed were 86 land cases, 12 Labour cases and 10 Civil Cases and are worth TZS 3.63 billion. More significantly, I learned that CCM has a high rate of land cases compared to other cases which are at different court levels, with the jurisdiction to determine land disputes as ascribed in Section 3(1) and (2) of the Land Disputes Courts Act Cap 216.

In the course of an investigation, I found that the increasing rate of land cases is being attributed to the pendency in settling land disputes due to a lack of a well-established dispute resolution system.

CCM management clarified that they had 112 cases with total litigation amounting to TZS 4.14 billion in the last year compared to 108 cases worth TZS 3.63 billion this year. As that being the case, there has been an improvement compared to the previous year. Even though CCM is recognized to have minimal cases this year compared to last year, I am concerned that cases filed against CCM, if ruled in favour of the plaintiffs would result a potential loss of TZS 3.63 billion to CCM members and its affiliates.

I recommend CCM to establish a dispute resolution system and adequately equip its legal unit for its cases to be amicably settled.

14.8 CCM Engaged 30 Radio Stations to Air and Broadcast its Manifesto without Contract and Paid TZS 74 Million

One of the CCM Companies (Uhuru Group Media) engaged 30 radio Stations to air and broadcast the CCM manifesto during the general election conducted in October 2020. The records reviewed at Uhuru Group Media indicate that the engaged radio stations were paid TZS 74 million for the services provided. In examining payments made, I found that Uhuru Group Media had no contract with the mentioned radio stations. As a matter of course, I could not vindicate the scope of the services provided, rates used, duration of the engagement as well as terms and other conditions of the engagement.

I recommend the CCM Secretary-General to ensure that the Uhuru Group Media signs contact with service providers whenever they are engaged to perform any undertaking.

14.9 CCM Companies are not Paying Dividends TZS 480 Million

CCM owns four Companies and has invested TZS 12.07 billion²² as of 30 June 2021. The Companies owned are Jitegemee Trading Co. LTD, Tanzania Green Co. LTD, Radio Uhuru LTD and Uhuru Publication LTD. CCM set a dividend of TZS 480 million to have been contributed in the period under review (2020/21), in which each Company was demanded to contribute TZS 120 million. I have reviewed the CCM financial reports along with banking records and found that no dividend was paid by any of the four companies.

But CCM management stressed that Jitegemee Trading Co. LTD did not pay a dividend due to major rehabilitation of its buildings done in 2019/20 and 2020/21. Just the same, CCM did not respond regarding the payment of dividends from Tanzania Green Co. LTD, Radio Uhuru LTD and Uhuru Publication LTD.

Management also pinpointed that the subsidiaries incorporated were established strategically to pursue the parties' political interests and not slanted towards commercial interests. To the extent that the indirect benefits accrued are more preferential than dividends, they ought to be paid. Despite the responses provided, I am concerned that funds invested should bring a return for the party's plans and activities to be well-financed and attained.

I recommend to the CCM Secretary-General to monitor the performance of each Company for the dividend planned to be contributed.

14.10 CHADEMA Failed to Refund Loan Obligations TZS 38.3 Million

On reviewing loan management at CHADEMA, I found that on 1 January 2019, CHADEMA received a loan of TZS 121 million with free interest from one of the party's stakeholders to finance the party's political activities. It was clearly stated in the loan agreement that CHADEMA would repay the whole loan amount by 31 May 2019. At the time of audit on 11 January 2022, I

²² Jitegemee Trading Co. LTD TZS 3,720,320,000, Tanzania Green Co. LTD TZS 569,913,747, Radio Uhuru LTD TZS 5,139,407,909, Uhuru Publications LTD TZS 2,641,416,394.

found that CHADEMA had refunded only TZS 82.7 million, and the balance of TZS 38.3 million was yet to be repaid. CHADEMA management put forth that they have embarked on digital schemes to collect revenues from the royal members. It is, therefore, anticipated that the remaining balance will ere long be repaid.

Although CHADEMA portrayed the possibility of recovering the loan balances owed in the near future, I recommend more extreme efforts be adopted for revenue collected in a reasonable time and all debts repaid.

14.11 Case Filed Against CUF Concerning Motor Vehicles Ownership not Reported in its Financial Statement TZS 873.3 Million

CUF prepares its financial statements under the IPSAS framework. Consistent with IPSAS 19 (provisions, contingent liabilities and contingent assets). CUF is required to disclose all litigation claims pending in Courts awaiting ruling, where CUF is unlikely to be declared a defendant, and how much CUF should pay the plaintiff.

In reviewing legal files at CUF, I found one of the cases that was filed at the High Court in September 2019 against CUF. Further investigation, I found that, CUF was served a demand note by one of the legal firms to surrender seven motor vehicles purported impounded by CUF from one of its members. Along with surrender, CUF was also required to pay damages amounting to TZS 873.3 million to relieve the claimant from disturbances and losses suffered.

At the time of audit in January 2022, CUF had yet to disclose the matter in its financial statements submitted for audit. And they did not respond when they were interrogated. Because of the substance of the matter, CUF was required to disclose the mentioned litigation in its financial statements; the failure to disclose the matter is against the requirements of IPSAS 19.

Under the noted circumstances, it is therefore my concern, that the financial statements issued by CUF to its members is misrepresented to the degree that any financial decision based on the CUF financial report should not be placed on reliance.

I recommend that CUF management disclose all potential litigations in its financial statements for the party's members to make sound and informed financial decisions.

14.12 CUF owns two Motor Vehicles Registered in Private Names TZS 18 Million

To be commensurate with the requirements of Section 20(1) of the Political Parties Act Cap 258 (R.E 2019) and Section 9 of the Trustee's Incorporation Act Cap 318, every registered Political Party must appoint a Board of Trustees to manage the properties. All Properties owned should be vested under the name of the Trustee's Corporate Body.

I reviewed motor vehicles files at CUF- Zanzibar and found that CUF owns Toyota Rav4 and Pajero Mini worth TZS 18 million that are registered at Zanzibar Revenue Board (ZRB) in private names. CUF management agreed to amend the motor vehicle cards to read CUF Registered Board of Trustees. In the previous audits, I noted several instances of CUF registered vehicles in private names, but no meaningful actions have been taken by the Registrar of Political Parties. In all of the situations, my audits were limited to confirming the ownership of the vehicles by CUF. With the limitations illustrated and all the time, I found that vehicles registered in private names have brought ownership cases to CUF. And in most instances, CUF was demanded to pay damages charges, which in my view is a misuse of the party's resources.

I recommend CUF register all motor vehicles owned in the name of the CUF Registered Board of Trustees to deescalate ownership cases being ruled in different courts.

14.13 Inappropriate Approval and Examination of the Payments at CCM and CHADEMA TZS 796.2 million

In keeping with the requirements of Section 13(4) of the Political Parties Act Cap 258 (R.E 2019) and Regulation 12 of the Political Parties (Funding) Regulation, 2018, every registered political party shall appoint an Accounting Officer in accordance with its constitution to manage party resources. The Accounting Officer of the Political Parties, among other things, must ensure that the financial procedures of their parties are followed in such a manner that the resources of the parties are safeguarded.

The Financial Procedures adopted by the Political Parties requires the Accounting Officer to review, examine, inspect and approve payments or any undertaking executed by the Political Parties. As a means to achieve that objective, CCM has established the examination Unit, which assists the

Accounting Officer with the role of pre-auditing payments before final approval is released.

Despite having the examination Unit, I found that CCM paid TZS 786.44 million²³ without being pre-audited and authorized by the Accounting Officer. At the same time, I revealed that CHADEMA had paid TZS 9.75 million without the Accounting Officer approval. In the wake of the anomalies noted, there is a risk of the party's resources being misused if payments would be regularly made, without approval from the Accounting Officers.

I recommend the CCM and CHADEMA management to enforce internal controls such that payment should not be made without the Accounting Officer's approval.

14.14 Preparation of Financial Statements without Complying with IPSAS Framework

Conforming to Regulation 3(1) of the Political Parties (Financial Accounting) Regulations GN. 951/2019, every registered political party must prepare financial statements according to the IPSAS Framework. The IPSAS Framework requires the presentation of financial statements to follow IPSAS 1. Consistent with IPSAS 1, the Political Parties Financial Statements must have the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in net assets/equity, Cash flow Statement, Statement of Comparison of Budget and Actual Amounts and notes comprising a summary of significant accounting policies and other explanatory notes. Combined with the requirements of IPSAS 1, the National Board of Accountants and Auditors (NBAA) also requires the Accountants of the Political Parties to declare and certify that the Party's Financial Statements prepared show true and fair view and have been complied with the IPSAS Framework.

I reviewed the financial statements of 19 Political Parties and found that seven political parties did not prepare their financial statements in compliance with IPSAS Framework. At the same time, their financial

²³ CCM Tabora (not stamped PAID) TZS 33,467,017, CCM - HQ not pre audited (TZS 710,635,739) and CCM Tabora (not approved by the Accounting Officer) TZS 42,341,125.

statements were not declared by the accountants to comply with NBAA requirements. The list of Political Parties is indicated in **Table 125** below.

Table 125: List of the Political Parties Prepared Financial Statements without complying with IPSAS Framework

No.	Name of Political Party
1	Demokrasia Makini
2	Alliance for Democratic Change (ADC)
3	Alliance for Africa Farmers Party (AAFP)
4	Chama cha Ukombozi wa Umma (CHAUMMA)
5	Democratic Party (DP)
6	United Democratic Party (UDP)
7	Union for Multiparty Democracy (UMD)

Source: Individual reports

Even though the number of political parties that did not prepare the financial statements in compliance with IPSAS has decreased from ten reported last year to seven this year, it is my view that the management of the Political Parties has fairly implemented my recommendation. Despite those improvements, still, during the audit, I could not form an appropriate audit opinion on the financial statements of seven Political Parties that did not comply with the IPSAS Framework.

The managements of the Political Parties are concerned that the preparation of the financial statements not complying with IPSAS is attributed to lack of qualified and competent accountants. Since Political Parties do not receive subsidies from the Government, it has been so expensive for them to hire qualified accountants who can prepare the financial statements in compliance with IPSAS requirements.

I recommend to the Registrar of Political Parties to enforce all political parties to prepare their financial statements in compliance with the IPSAS framework and harmonize fairness in financial reporting.

CHAPTER FIFTEEN

SPECIAL AND FORENSIC AUDITS

15.0 Introduction

This part of the report presents significant audit findings and recommendations that were revealed in the special and forensic audits conducted during the year. Special audits are undertaken by me in order to probe into a specific area of the public entity operations. I also commission Special Audits when I suspect that a law or regulations have been violated, notably in the areas of financial, operational and procurement management.

If there is evidence that a public entity's financial affairs are not being administered in accordance with proper government accounting and financial procedures, the government may request a special audit to be undertaken on that entity. Section 29 of the Public Audit Act Cap. 48 (R.E 2021) gives my office the mandate to carry out special audits when requested by any individual or public entity. In conjunction with special audits, my office also conducts forensic audits.

The purpose of initiating forensic audits is to derive evidence that can be used in a court of law or legal proceeding. Forensic audit procedures entail the review, examination, analysis, and evaluation of financial records in order to investigate allegations or suspicions of fraudulent conduct within a public entity as well as identify weaknesses that allowed the fraud to be perpetrated.

My office is empowered to carry out forensic audits upon request under Section 27 of the Public Audit Act Cap. 48 (R.E. 2021) and Regulation 82 of the Public Audit Regulations G.N. No. 47/2009. As part of my responsibilities, I also conduct forensic audits when I am satisfied that fraud has occurred or there is evidence or suspicion that public officials have committed fraud.

The Prevention and Combating of Corruption Bureau (PCCB) and the Director of Criminal Investigation (DCI) have been requesting my office to carry out forensic audits. The forensic audit reports presented to them are also acceptable as evidence in court to attest to the facts pertaining to financial

irregularities, abuses, or looting of public resources in the case under investigation.

In the year under review, I carried out four special audits and seven forensic audits. PCCB and DCI, in turn, requested six and one forensic audits. Issues noted from these audits are also part of this report. Apart from forensic audits ordered by the PCCB and DCI, Also, my office conducted one special audit that was requested by BOT and another one was requested by the Paymaster General. The remaining two were initiated and undertaken by my office after financial irregularities were discovered during the normal course of financial audits. The following is a list of the special and forensic audits that have been completed.

Table 126: List of Special and Forensic Audits undertaken during the year

No	Name of the Audit	Audited Entity	Entity Requested Audit
1	Special Audit on Alleged Fraud in the Redemption of Mutilated Notes at BOT	BOT	BOT
2	Forensic Audit on Visa on Arrivals Revenue Collection at Kilimanjaro International Airport	Immigration Department	DCI
3	Forensic Audit on the Fraudulent transfer of USD 298,500 from the Expanding Rice Production Project (ERPP) at BOT	BOT	PCCB
4	Special Audit on the Misappropriation of Revenue at the Local Government Training Institute (Hombolo)	PORALG ²⁴	CAG
5	Special Audit on the Management of ORIO Tanzania Project Escrow Account relates to Rehabilitation of Diagnostic Services in Tanzania at MoHCDGEC ²⁵	MoHCDGEC	CAG
6	Forensic Audit on the Construction of Sokoine Memorial Secondary School	MoEST ²⁶	PCCB
7	Forensic Audit on the Rehabilitation of Buildings, Water and Water Sewerage Systems, ICT infrastructure, and Electrical Systems at Ilonga Teachers College	MoEST	PCCB
8	Forensic Audit on the Construction of Mwasonge Bridge at Misungwi District Council	TARURA	PCCB
9	Special Audit on the Assets and Liabilities of Moshi Arusha Occupational Health Services (MAOHS)	MoFP	MoFP

²⁴ President's Office Regional Administration and Local Government

²⁵ Ministry of Health, Community Development, Gender, Elderly and Children

²⁶ Ministry of Education, Science, and Technology

No	Name of the Audit	Audited Entity	Entity Requested Audit
10	Forensic Audit on the Rehabilitation and Remodeling of Mzumbe Secondary School	TEA	PCCB
11	Forensic Audit on the Implementation of Rural Electrification Projects in REA II and III in the Mara region	REA	PCCB

Source: Individual reports

Below are the findings from each audit that was conducted. The specific results are detailed in the reports that were sent to each audited entity.

15.1 Forensic Audit on the Alleged Fraud in the Redemption of Mutilated Bank Notes at the Bank of Tanzania (BOT)

Following suspicions of fraudulent activity in the redemption of mutilated banknotes at the BOT from January 2017 to December 2019, the BOT Deputy Governor (Administration and Internal Controls) requested that my office conduct a forensic audit. The objective of my audit was to determine the amount of loss that BOT incurred and the individuals who were involved in the scam. Through my investigation, I found the following:

15.1.1 BOT Suffered a Loss of TZS 3.99 Billion on the Fraudulently Redemption of Mutilated Notes

As per BOT Policies and Guidelines, a mutilated note is a genuine currency having defective qualities. The BOT has the authority and mandate to redeem a mutilated note, assign value to it, and issue a new banknote. In my audit, I established that BOT had redeemed TZS 4.17 billion, which amounted to 417,006 banknotes in the denomination of TZS 10,000 between January and September 2019, purported to have been mutilated notes. As part of the audit procedures, I sorted and counted all banknotes as well as reviewed the criteria adopted by BOT in the redemption of mutilated note.

In my examination, I found that 1,427 banknotes valued TZS 14.27 million were clean and fit and hence did not qualify as mutilated notes. I further found that 16,187 banknotes worth TZS 161.87 million had met redemption criteria, while the remaining 399,392 banknotes worth TZS 3.99 billion had not met redemption criteria and had been fraudulently redeemed by two redeemers and four cashiers from BOT. This was accomplished by assigning values to and endorsing payments for the fraudulently altered notes in question, causing BOT to suffer a loss of TZS 3.99 billion.

In the course of further investigation, I found that fraudsters had cut 399,392 pieces of banknotes in a denomination of TZS 10,000, glued them to plain white paper, and then claimed fresh banknotes. To produce and issue the mutilated notes in question, I discovered that 399,392 pieces were deformed from 199,696 clean banknotes. After conducting a cost analysis, it was found that BOT had incurred Euro 0.0381, equivalent to TZS 103.56²⁷ to print and supply one unit of TZS 10,000 denomination. As a result of this scam, BOT has experienced a loss of TZS 20.68 million having printed and supplied 199,696 bank notes used in the fraud.

It was also revealed to me that BOT did not maintain a customer register for mutilated notes bearers' a failure which meant that I had been unable to identify mutilated notes customers. In spite of these constraints, I reviewed the customer attendance book from January to November 2019 and identified 24 customers who had a pattern of repeated visits to the bank for mutilated notes transactions and have been implicated for having associated and colluded with BOT staff to perpetrate the scheme.

In view of the illustrated scam, I am questioning the integrity of BOT staff and the weakness in the internal controls that resulted in a loss of TZS 3.99 billion.

I recommend that BOT management take appropriate disciplinary actions against BOT staff who were involved in the fraud and reinforce effective oversight of all mutilated note transactions at BOT and Commercial Banks.

15.2 Forensic Audit on Revenue Collected from Visa on Arrivals at Immigration Department, Kilimanjaro International Airport

The Immigration Act Cap. 54 (R.E 2016) conferred authority on the Immigration Department to collect and manage revenue generated from Visas, Passes, and Permits. On 2 August 2019, the Director of Criminal Investigations (DCI) spotted forged Visa stickers at the Julius Nyerere International Airport (JNIA). The preliminary investigation by DCI revealed that the forged Visa stickers were sold to non-residents who arrived at Kilimanjaro International Airport (KIA) by the Immigration Department.

²⁷ Exchange rate 1 EURO to TZS 2,718 as of 30 June 2021.

In the wake of that, DCI requested my office undertake a forensic audit. The audit attempted to establish losses committed by the government and identify the immigration officers who were involved in the scam, which was from 1 January 2019 to 30 June 2019. In the investigation, the following was revealed;

15.2.1 Loss of TZS 2.42 Billion from 21,208 Visa Stickers Alleged Forged and Whose records were deliberately deleted from Visa Administration System (VAS) by the Immigration Officers at KIA

Before 23 August 2019, the Immigration Department at KIA used the Visa Administration System (VAS) to record details of non-residents who paid Visa on arrival, including those who received gratis VISA. In practice, recording in VAS was completed after the respective non-resident paid Visa fees and received an Exchequer Revenue Receipt (ERV).

There were no records kept in the VAS System for diplomats, resident permits, exemption certificates, passes, returning residents, online- Visa and Visa granted at embassies. Along with VAS, there was also a PISCES system in place to keep track of security issues. In order to ensure that no residents or non-residents who have been banned or restricted from entering the United Republic of Tanzania. It was a requirement that all landed passengers arriving at KIA pass through PISCES.

From the period 1 January 2019 to 30 June 2019, the audit established that 41 Tanzania residents and 107,119 non-residents had arrived at KIA. Of the 107,119 non-residents who arrived at KIA, 11,341 received Visa online, 7,044 received Visa from embassies, and 13,678 did not receive Visa for various reasons, including exemptions, passes, treaties, etc. and 41,286 non-citizens had paid for Visa on arrival at KIA.

The audit also identified 212 non-residents who had received Visas on arrival at JNIA and Abeid Amani Karume International Airport but had landed at KIA. Even though the remaining 33,558 non-residents had arrived at KIA, their records, which included ERVs, entry forms, and bank deposit slips, could not be located, and as a result, I was unable to determine how much revenue the government should have received.

In further investigation, I found that 21,208 Visa sticker details for non-residents who arrived at KIA were permanently deleted from the VAS System

database. The removed Visa sticker details concerned non-residents who should have paid Visa on arrival, but 32 immigration officers at KIA have been alleged to have offered them forged Visa stickers as part of a syndicated collusion and pocketed TZS 2.42 billion from them.

The audit discovered that the fraud was perpetrated as a result of flaws in the VAS system that were easily exploited. Following an investigation into the VAS system, it was revealed that the VAS system allows Visa sticker details to be printed before being saved and that the unsaved information can be erased without prior approval. More significantly, the VAS System also permits the deleted entries to be permanently removed from the database without the need for any recovery measures to be implemented.

On account of VAS system deficiencies, the audit confirmed that 32 immigration Officers at KIA had received cash from non-residents, printed their details on the forged Visa sticker without saving them in the VAS System and down the line, deleted their records from the VAS database. From the 21,208 Visa sticker entries removed from the VAS System, the government incurred a loss of TZS 2.42 billion over six months, from 1 January 2019 to 30 June 2019.

I am concerned that despite the fact that the Immigration Department decommissioned the VAS system and effectively launched the e-Immigration System on 23 August 2019, there should be an investigation into the weaknesses discovered in the VAS system in the new System (e-Immigration) to prevent the government from incurring further losses.

I recommend the Immigration Department take appropriate legal and disciplinary measures against 32 immigration officers who are responsible for occasioning loss of TZS 2.42 billion to the government.

15.3 Forensic Audit on the Fraudulent transfer of USD 298,500 from the Expanding Rice Production Project (ERPP) at BOT

The Ministry of Agriculture implemented the Expanding Rice Production Project (ERPP) aimed at increasing productivity and rice production in Morogoro. The project was financed by the Global Agriculture and Food Security Program Trust Fund (GAFSP) and supervised by the World Bank. The Ministry of Agriculture opened the project account at the Bank of Tanzania (BOT).

BOT was alleged to have fraudulently transferred USD 298,500, which is equivalent to TZS 666.12 million, to Rich Host Enterprises Group Limited, purportedly for the supply of rice equipment to the ERPP using a forged transfer letter.

Following such allegations, PCCB requested that my office conduct a forensic audit to establish facts and evidence in the fraudulent transaction commissioned by BOT and identify those involved. In the investigation, the following was revealed.

15.3.1 BOT Incurred a Loss of TZS 680.64 Million including TZS 666.12 Million for a Refund to ERPP and TZS 14.52 Million for Legal Charges Resulting from the Fraudulently Transfer of USD 298,500 equivalent to TZS 666.12 Million from ERPP Bank Account

In opening the bank account at BOT, the Ministry of Agriculture introduced one of the project officers to present and collect all letters and correspondence between BOT and ERPP concerning the operation of the Project Account and submit signatories' names and their specimens. The project fund was not transferred or payments effected until BOT received an instruction letter from the ERPP project and such a letter was delivered in hand by the officer who was introduced.

a) Facts that manifested how BOT violated ERPP Banking Mandate

In the investigation, I found that the instruction letter indicates that the ERPP was supplied rice equipment by the Rich Host Enterprises Group Limited (RHEGL), totaling USD 298,500. According to the letter ERPP should pay RHEGL through China Merchant Bank. Following a thorough inquiry, the audit found that Rich Host Enterprises Group Limited (RHEGL) had not supplied any rice equipment to the ERPP Project as claimed.

Furthermore, no rice equipment had been purchased by the project. In the course of further review, the audit also found out that the letter was delivered to BOT through DHL Uganda despite the fact that the procedures required the letter to be handed in person by the officer appointed by the Ministry of Agriculture to this effect. Through inquiry, DHL confirmed that the dispatcher was one of the ERPP officers. However, the investigation at the Immigration Department and scrutiny of the passport revealed that the suspected Officer was not in Uganda during the period accused and had

never been in Uganda. Because of this, the audit came to the conclusion that the names that appeared in the letter were purposely disguised in order to conceal the identity of the fraudsters.

In further examination, the audit found that the ERPP signatories' names listed in the letter were similar to those listed in the bank mandate file maintained by BOT. But Tanzania Police Force Forensic Bureau confirmed that the signatories' signatures indicated in the letter were not identical to the signatures in the bank mandate file and the suspect sample signature furnished to them for examination.

The audit also found that the letters used did not follow a standard format, the font regularly used by the ERPP, and the amount in figures had a decimal separation instead of a comma. On the basis of that examination and confirmation from the Tanzania Police Force Forensic Bureau, the audit manifested that the said transfer letter had been forged.

b) Facts Demonstrating how the Scam was Orchestrated and Perpetrated at BOT

Further investigation found that the letter was directly dispatched from the mail room to one of the secretaries, who then uploaded it onto the BOT Mail Automation System (MAS) without being examined or approved by the Banking Officers. Because of such a lapse, the validity of the letter was not vindicated, and the procedure in question was in violation of the Banking Procedures. The failure to examine and verify the letter could have been intentionally persuaded by the BOT scammers to avoid being spotted by the authorities.

Despite the identified irregularities, upon examination, the responsible managers did not detect the apparent anomalies after the letter was uploaded for examination by the Secretary. It was further revealed that the responsible managers forwarded the same to the data entrant for initiating a payment transaction in the Central Banking System (CBS). Neither the data entrant nor her supervisor viewed or detected the anomalies found in the letter that indicated that they were aware of such a transfer.

Following such collusion, it was determined that the responsible managers accepted and authorized USD 298,500, which is equivalent to TZS 666.12

million, to be paid from the ERPP Bank account to Rich Host Enterprises Group Limited (RHEGL).

c) Facts justifying losses suffered by BOT

After ERPP uncovered a fraudulent transfer from its account, the audit found that BOT recalled a swift message from its correspondent bank (J.P Morgan Chase). It was demanding it recall the China Merchant Bank and instruct them not to credit the funds to Rich Host Enterprises Group Limited. In spite of successful recall and a served judgment from the Tanzania High Court, the China Merchant Bank has not yet refunded the money to BOT as of the date of this report.

In addition, the audit could not determine the incorporation details for the Rich Host Enterprises Group Limited as China Merchant Bank declined to reveal the KYC information due to the prevalent commercial laws in China. In a related vein, BRELA confirmed that Rich Host Enterprises Group Limited is not incorporated in Tanzania; hence no incorporation information was found.

In resolving the controversies between BOT and ERPP concerning a transfer, the audit found that BOT had refunded USD 298,500, which is equivalent to TZS 666.12 million, to ERPP as compensation for the fraudulent transaction that had been committed. Along with that, BOT also incurred legal charges totalling TZS 14.52 million in order for the dispute to be addressed in a legal manner at the Tanzanian High Court.

Even though the transfer was not successful and credited to Rich Host Enterprises Group Limited, it is evident that five BOT officers were involved in such a scam. The audit confirms that they were aware of and had deliberately violated banking procedures to facilitate a malicious transfer of USD 298,500, which is equivalent to TZS 666.12 million. In the wake of such a transfer, BOT suffered a loss of TZS 680.64 million, which included TZS 666.12 million in refunds to ERPP and TZS 14.52 million in legal expenses.

I recommend the BoT management take appropriate legal and disciplinary measures against the BOT officers who were involved, and have the losses incurred recovered in full.

15.4 Special Audit on the Misappropriation of Revenue at Local Government Training Institute (Hombolo)

I initiated this audit to uncover the alleged misappropriation of school fees revenue at Hombolo in the financial year 2019/20. In the course of the audit, I examined revenue collection records, extracted GePG reports, and interviewed students and Hombolo staff. In the audit procedures performed, I found the following:

15.4.1 Hombolo Experienced a Financial Loss of TZS 76.11 Million through Forged GePG Receipts

The Local Government Training Institute (Hombolo) uses the Government Electronic Payments Gateway (GePG) to collect school fees and other revenues. I have reviewed the GePG System and found that the system allows receipt details to be exported, downloaded, and edited in Word, PDF, or Excel formats. In the wake of the GePG system weakness, I discovered that three accountants from Hombolo had collected in cash school fees amounting to TZS 76.11 million from 296 students and issued forged GePG receipts to them in 2019/20. In the investigation, I found that the fraudulent receipts were fabricated from the valid GePG receipts that were exported from the GePG system in a word format, where the fraudsters then edited the details to match the particulars of students from whom the cash had been collected.

A further examination of the GePG role matrix revealed that there was no segregation of duties in the overall system. As a result, seven staff who were not eligible were assigned SP Service Manager access rights, allowing them complete access to the system. The Human Resource Officer, Internal Auditor, Planning and Administration Officer, Assistant Lecturer, Medical Doctor, Secretary, and Rector were among the seven members of staff that were given access. I also noted that 11 accountants had been allocated the same access rights, which had permitted them to generate bills and issue control numbers at the same time. This practice is against ISO/IEC 27002:2013, which emphasizes segregation of duties as a way to implement effective security management practices.

I attribute the losses incurred to the inadequate capacity of the Hombolo ICT Officer in assessing system security risks. It is also a concern that no regular checks and reconciliation of school fees collected between the GePG system and actual revenue received have been performed to this point. This

oversight resulted in revenue totalling TZS 76.11 million being defrauded, while TZS 59.4 million from accommodation fees was not collected from 198 students. More incredibly, I uncovered 67 students who were accommodated at Hombolo Hostel whose payment records had not been found, which meant that there was no evidence to account for the TZS 20.1 million that should have been collected from them.

I recommend the Permanent Secretary PROLG pursue legal and disciplinary measures against all Hombolo officials who were involved. Security weaknesses detected in the GePG system should be reviewed and fixed by the e-Government Agency (e-GA) in order to ensure the efficient collection of government revenue.

15.5 Special Audit on the Management of ORIO Tanzania Project Escrow Account relates to the Rehabilitation of Diagnostic Services in Tanzania at Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC)

The government of the United Republic of Tanzania and the Ministry for Foreign Trade and Development Cooperation of the Kingdom of the Netherlands jointly agreed to provide funds aimed at improving maternal services, rehabilitating 35 hospitals, and enhancing diagnostic imaging services in Tanzania through the ORIO Project.

In undertaking the financial audit at MoHCDGEC in 2019/20. I found that MoHCDGEC acquired medical equipment worth Euro 1.62 million, equivalent to TZS 4.25 billion from the ORIO Project which was purportedly delivered and installed by Philips Medical System Netherlands. In following up on the matter, MoHCDGEC did not present any delivery records. Under those circumstances, it follows that I could not ascertain the completeness and accuracy of the expenditure reported. Because of those limitations and by virtue of Section 29 of the Public Audit Act Cap. 48, I decided to commission special audit.

The special audit performed was sought to attest to the authenticity of the payments made and assess the performance of the entire contract. My audit procedures involved a review of the grant agreement, supply contract, payment and delivery records from July 2014 to June 2021. Through the examination, I discovered the following issues.

15.5.1 Irregularities in the Management of Grant Funds Euro 1.68 Million equivalent to TZS 4.42 Billion

In November 2012, the agreements between the government of the United Republic of Tanzania (URT) and the Ministry for Foreign Trade and Development Cooperation of the Kingdom of the Netherlands were completed. The parties had jointly agreed to finance the ORIO Project, which was intended to rehabilitate diagnostic imaging services and improve maternal services in 35 hospitals in Tanzania. They both pledged to contribute Euro 23 million, equivalent to TZS 60.42 billion, whereas the Netherlands committed to donating Euro 11.5 million, equivalent to TZS 30.21 billion, and the URT guaranteed to finance Euro 11.5 million, equivalent to TZS 30.21 billion.

The project was to be implemented in two phases, the first of which was to be implementation and the second of which was to be operational and maintenance. In the first place, the project was accepted to be implemented from July 2016 to July 2021; however, the project implementation period was then revised and acceded to be from 2018 to 2023. The project was managed by ORIO RVO and MoHCDGEC on behalf of the Netherlands and URT and was being implemented in six batches. At the time of the audit, I noted only batches one and two had been completed, with batches three to six still to be implemented.

As stipulated in the grant agreement, URT and the Netherlands agreed that the Netherlands share would be directly paid to the equipment supplier. At the same time, the URT portion would be deposited in the Escrow Project Account, from which the funds would be withdrawn and used to pay the Supplier as described above. A deal with Philips Medical System of the Netherlands for the delivery of medical equipment and the rehabilitation of Diagnostic Services was signed in September 2014, for a total of Euro 22.42 million, equivalent to TZS 58.89 billion. The contract was divided into two phases to satisfy the grant agreement. Phase one, which involved the supply of equipment, civil works and capacity building, was amended to be implemented from August 2018 and completed by September 2020. Howbeit, phase two, which encompasses the operation and maintenance phase, was scheduled to be implemented from October 2020 to October 2023. In 2015, the Escrow Project Account was opened at one of the commercial banks to facilitate the custody of the URT Share used to pay the Supplier (Philips Medical System Netherlands).

Until August 2021, Philips Medical System Netherlands had already paid Euro 3.46 million, equivalent to TZS 9.09 billion, through which the Netherlands paid Euro 1.23 million, equivalent to TZS 3.23 billion, and MoHCDGEC (URT) Euro 2.21 million, equivalent to TZS 5.81 billion. In the confirmation letter, the Netherlands acknowledged paying an additional Euro 695,862 equivalent to TZS 1.81 billion, as the Suppliers Credit Cost to Philips Medical System on behalf of the URT and Euro 83,762 equivalent to TZS 220.65 million, to one of the Dutch Consultancy Firms that were not part of the grant agreement.

In congruence with the grant agreement, the URT had to deposit Euro 2.9 million, equivalent to TZS 7.62 billion, into the Project Escrow Account to facilitate payments to Philips Medical System. In the course of reviewing the project escrow account, I found that the URT had deposited Euro 3.12 million, equivalent to TZS 8.2 billion, with Euro 220,140.95 equivalent to TZS 577.89 million, being an excess amount and not related to the project grant agreement. I also found that the Project Escrow Account had a balance of Euro 908,820.76 equivalent to TZS 2.42 billion, of which Euro 663,861 equivalent to TZS 1.73 billion, had been committed for civil works despite the fact that MoHCDGEC had not yet paid Philips Medical System for civil works that had been completed at the time of the audit.

I also learned that URT and the Netherlands had modified payment plans from the Project Escrow Account to Bills of Exchange in 2019. Nonetheless, the MoHCDGEC had not yet closed the Escrow Account. To that end, I have noted that MoHCDGEC would incur nugatory payments of Euro 12,000, equivalent to TZS 31.52 million, which would be an annual maintenance fee for the period up to 2021 that the Escrow Account has remained non-operational. As part of the audit procedures, I examined payments made to Philips Medical System and determined that Philips was overpaid Euro 8,120.07 equivalent to TZS 21.28 million. The overpayments were ascribed to the lapse in internal controls at MoHCDGEC.

Having illustrated above, I am confident that the ORIO grant funds in the amount of Euro 1.68²⁸ million, which is equivalent to TZS 4.42²⁹ billion, were mismanaged, resulting in the project not being completed as anticipated.

I recommend that the government of the URT and the Netherlands resolve the inconsistencies by ensuring grant funds are appropriately managed and remaining batches are completed.

15.5.2 Unfavourable Terms on the Revised Financing Structure had brought additional Commitment to the URT at an amount of Euro 3.88 Million Equivalent to TZS 10.20 Billion

In further review, I learned that the URT and Netherlands agreed that the suppliers' cost of Euro 22.42 million, equivalent to TZS 58.89 billion, would be shared 50% by 50% over the course of six years of the project implementation period. In that case, the URT had to contribute Euro 11.21 million, equivalent to TZS 29.45 billion, and the Netherlands had to give Euro 11.21 million, equivalent to TZS 29.45 billion. The supplier's cost was then divided into two phases. In each phase, the URT and Netherlands were required to share Euro 8.03 million, equivalent to TZS 21.09 billion, accounting for 72% of the implementation phase, and Euro 3.18 million, equivalent to TZS 8.35 billion, constituted 28% of the operation and maintenance phase.

Moreover, I noticed that in 2017, the URT and Netherlands amended the Suppliers' Cost payment plan from the Escrow Account to the Bills of Exchange model. But the overall financing share for each partner remained the same at Euro 11.21 million, equivalent to TZS 29.45 billion. By force of circumstances, I learned that the MoHCDGEC (URT) share of the implementation phase was increased from Euro 8.03 million, equivalent to TZS 21.09 billion, to Euro 11.21 million, equivalent to TZS 29.45 billion, and had resulted in additional commitments of Euro 3.18 million, equivalent to TZS 8.36 billion, that had not been budgeted and committed by the URT by that time.

²⁸ Supplier credit cost Euro 695,862, Dutch Consultancy Firm Euro 83,762, Excess deposit URT Euro 220,140.95, Civil works not paid Euro 663,861, Nugatory payments Euro 12,000 and Overpayments Euro 8,120.07.

²⁹ 1 EURO= TZS 2,626.76 (BOT rate as of 7 February 2022)

I further found that, on the changes agreed, URT will not contribute to the operation and maintenance phase. Just the same, the Netherlands will finance Euro 4.84 million (43%), equivalent to TZS 12.71 billion, on the implementation phase and Euro 6.37 million (57%), equivalent to TZS 16.73 billion, on the operation and maintenance phase, respectively. The amended contribution and finance plan were unfairly structured to the degree that the URT would incur high costs for equipment purchases, civil works, and capacity building over a three-year period. Meanwhile, the Netherlands would incur the same cost over a six-year period, with a significant part of the cost of Euro 6.37 million (57%), equivalent to TZS 16.73 billion, being allocated to the operational and maintenance phase.

Based on such modifications, I am concerned that the Netherlands would reap greater benefits than URT, since the Netherlands Company would be responsible for the maintenance and operation of project medical equipment, which would be funded by the Netherlands and received by the Netherlands (Philips Medical System). Meanwhile, URT would be required to pay Euro 11.21 million, equivalent to TZS 29.45 billion over a three-year period rather than the six-year timeframe originally agreed upon.

Following the amendments to the payment plans and the transition financing part of the URT from an Escrow Account to Bills of Exchange, I further found the additional credit costs to be Euro 1.4 million, equivalent to TZS 3.68 billion, which is shared equally at Euro 700,000, equivalent to TZS 1.84 billion, by the Netherlands and URT. Without notice, I discovered that Philips Medical System agreed to finance Euro 700,000 equivalent to TZS 1.84 billion, which was part of the URT contribution; as much as Philips Medical System had yet to pay the credit cost. With this venture, there have been doubts that Philips Medical System may have charged very absonant prices on the medical equipment supplied in the ambit that they agreed to finance the URT credit charges for no refund.

I observed that the citizens of the URT would bear a tax cost of Euro 3.88 million, which is equivalent to TZS 10.2 billion, as a result of the government's inability to bargain. This tax burden would be incurred as a result of contractual obligations that were not auspicated or planned.

I recommend the government of the URT and Netherlands revise the financing structure for the executed project to bring beneficial interests to both parties.

15.5.3 Irregularities in the Implementation of the ORIO Project TZS 3.02 Billion, Equivalent to Euro 1.15 Million

During the course of the project's implementation, I found that the training for biomedical engineers that was supposed to be provided to eight hospitals was not carried out by Philips Medical System, despite the fact that the Netherlands had paid Philips Medical System Euro 894,706, which is equivalent to TZS 2.35 billion. I also discovered that GPSA was involved in clearing medical equipment bought under the ORIO Project, which was being held up owing to delays in the clearance. MoHCDGEC paid TZS 665.14 million as customs rent, storage, and detention charges, which I have considered nugatory.

According to the revised addendum, medical equipment should be delivered and installed in 35 hospitals by 30 September 2020. Never the less, I discovered that Philips Medical System had installed and supplied medical equipment to only eight hospitals, and 27 hospitals had not been installed by the time of the audit in August 2021. I also noted that the supply contract expired in September 2020, and that no addendum had been executed.

Because of the inadequate project supervision, I found that Philips Medical Systems did not train biomedical engineers, although the Netherlands paid Euro 894,706, which is equivalent to TZS 2.35 billion. In a similar fashion, the MoHCDGEC had incurred nugatory payments amounting to TZS 665.14 million on customs rent, storage, and detention charges. It is, therefore, a concern that the URT has incurred a loss of TZS 3.02 billion, equivalent to Euro 1.15 million, resulting from the limited project supervision.

I recommend the government of the URT undertake adequate monitoring for the remaining batches to ensure that they are implemented successfully with the least amount of loss.

15.5.4 Irregularities on the Works Performed and Equipment Delivered by Philips Medical System Euro 441,386.56 Equivalent to TZS 1.16 Billion

I further performed physical verification and found that incinerators supplied at Tumbi and Sekou Toure Hospitals at Euro 52,066, equivalent to TZS 136.59 million, had a lower capacity than actual requirements. Wherefore, no value for money was obtained. I have also noted some of the renovation works at Euro 272,476.38, equivalent to TZS 709.23 million, out

of the committed amount of Euro 663,861, equivalent to TZS 1.73 billion, were carried out at six hospitals.

However, I discovered that the Philips Medical System performed substandard work in the X-Ray Room at Mkuranga Hospital for Euro 38,010.14, which is equivalent to TZS 99.82 million. I also noted that despite having set aside Euro 67,267.53, equivalent to TZS 176 million, for the project, Philips Medical System did not carry out renovation work on the CT-Room at Tumbi Hospital. There was also substandard work in Temeke Hospital's radiology unit, which cost Euro 65,928, equivalent to TZS 173.37 million, and two incubators that cost Euro 25,672, equivalent to TZS 68.30 million, but were not used.

I further found that Mwananyamala Hospital had shoddy work of Euro 39,394.84, equivalent to TZS 102.44 million in the CT-Scan room, which had been rehabilitated by Philips Medical System, and two incubators at Euro 25,672, equivalent to TZS 68.30 million, that were not working. Addingly, I have also noted substandard work in the UltraSound and Autoclave rooms of Euro 23,244.05, equivalent to TZS 60.42 million at Amana Hospital. I also found that Sekou Toure RRH had received four delivery beds at a cost of Euro 104,132, equivalent to TZS 262.68 million, which were of low quality and did not meet the standards set out in the contract, hence deemed to be unacceptable.

In the course of further investigation, I tested and inspected all the medical equipment supplied and found that the tomographic exams on the Comb Diagnostic Machine installed at Kigoma and Mwananyamala RRH had not been performed, and no exam cards had been found. As a consequence, I discovered that the x-ray images displayed are obscured, and some of the overlying organs and soft tissues are not clearly visualized. Even though some of the defects were rectified by the responsible hospitals using their own sources of collections, I am concerned that the Philips Medical System was not adequately supervised. Because of that, taxpayer funds in the amount of Euro 441,386.56³⁰, which is equivalent to TZS 1.16 billion, have been misappropriated.

³⁰ Incinerators at Tumbi & Sekou Toure Euro 52,066, X-Ray Room at Mkuranga Euro 38,010.14, Radiology Unit at Temeke Euro 65,928, Incubators at Temeke Euro 25,672, renovation at Tumbi Euro 67,267.53,

I recommend the MoHCDGEC recover from Philips Medical System funds incurred by the respective hospitals to rectify defects attributable to the subpar works that were performed.

15.6 Forensic Audit on the Construction of Sokoine Memorial Secondary School

PCCB requested my office to undertake a forensic audit that was aimed at establishing irregularities in the course of executing the project. In parallel with the determination of the project deficiencies, PCCB also wanted my office to confirm if the project was implemented in a manner that the value for money was obtained. In the investigation, I noted the following:

15.6.1 Mvomero District Council Experienced a Loss of TZS 77.18 Million Resulting from Overpayments and Building Materials that were not Physically Located and Accounted For

During the investigation, I found that Sokoine Memorial Secondary School was constructed for TZS 2.61 billion through Force Account since 1 May 2011, but that the project was not completed by the time of the audit in January 2021. The project was supervised and implemented by the Mvomero District Council. And it involved the construction of the classes, mess, dormitories, teacher houses, and headmaster house. The construction fund was mobilized by the Mvomero District Council and the Ministry of Education, Science and Technology (MoEST) through EP4R. MoEST, through EP4R, donated TZS 2.6 billion, and the Mvomero District Council contributed TZS 7.52 million. The funds pooled were allocated to purchase building supplies at a cost of TZS 1.72 billion (66.1%) and labour costs at a cost of TZS 883.18 billion (33.9%). In the course of document review and interviews conducted, I revealed the following;

a) Payments for Works not Executed TZS 7.31 Million

In examining the labour contracts with local artisans valued at TZS 883.18 million, I found that Mvomero District Council had engaged one of the local artisans to carry out superstructure work for TZS 90.6 million. In that contract, the local artisan was paid TZS 97.9 million for work allegedly performed. When I measured the actual works completed, I discovered that the local artisan had only completed works worth TZS 90.6 million. It appeared that the Mvomero District Council had paid TZS 97.9 million,

Incubators at Mwananyamala Euro 25,672, CT-Scan Room at Mwananyamala Euro 39,394.84, Ultra Sound & Autoclave room Euro 23,244.05 and delivery beds at Sekou Toure Euro 104,132.

including TZS 7.31 million for work that had not been confirmed as performed.

The Mvomero District Council acknowledged that the local artisan had been overpaid TZS 7.31 million and put forth that the overpayment would be recovered from payments made under other ongoing contracts between the local artisan and the Mvomero District Council. Until concluding the report, the Mvomero District Council had yet to recover the amount in question and the government had suffered a loss of TZS 7.31 million. I am concerned that the overpayment made was ascribed to the lapse in the enforcement of internal controls at the Mvomero District Council's Treasury Office.

I recommend the Mvomero District Council recover the overpayment from local artisan payments and that disciplinary actions be taken against the responsible officers who perpetrated the overpayments.

b) Building Materials worth TZS 69.87 Million were not Physically Located and Accounted For

As part of the audit procedures, I reviewed the local purchase order (LPO), delivery notes, store records and payment records for the building materials purchased. In the examination, I found that the Mvomero District Council paid for and received building materials totalling TZS 1.72 billion. In measuring the actual materials acquired and used during construction, I found out that the building supplies worth TZS 1.65 billion were only used. Materials worth TZS 69.87³¹ million, on the other hand, were not physically located and accounted for. The unaccounted materials included 2,624 m³ of sand, 93m³ of aggregates, 405 boxes of tiles and 1,189 cement bags.

On further investigation, I learned that the Mvomero District Council had appointed ten officers who were in charge of inspecting, receiving, and issuing materials used during construction. The concerned officers were probed to physically locate and evidence the use of building materials worth TZS 69.87 million. The team put across the locations where the materials were allegedly used in response. However, the team was unable to locate

³¹ Sand TZS 32,830,000, aggregates TZS 7,440,000, cements TZS 16,051,500, and tiles TZS 13,549,000

the areas where materials were used, and they constituted no evidence; as a result, I could not confirm the accountability of the missing materials.

That being the case, it is, therefore, my concern that the government has obtained a loss of TZS 69.87 million because the Mvomero District Council was unable to physically locate and account for the unnoticed materials. The audit also confirms that the government's loss resulted from the inspection team's failure to be vigilant when receiving, inspecting, and issuing materials used in the construction.

I recommend that the Mvomero District Council recover TZS 69.87 million from the Inspection Team members to compensate for losses suffered.

15.7 Forensic Audit on the Rehabilitation of Buildings, Water and Water Sewerage Systems, ICT Infrastructure, and Electrical Systems at Ilonga Teachers College

This forensic audit was undertaken following a request from PCCB. PCCB wanted the audit to ascertain if value for money was attained in the rehabilitation of Ilonga Teachers College. In connection with the value-for-money assessment, the audit was also sought to establish equity and transparency in the entire procurement process and confirm that the public procurement law and regulations were not violated. In the audit performed, the following deficiencies were noted:

15.7.1 Deficiencies Spotted in the Management of Rehabilitation Works by Ilonga Teacher's College and MUST TZS 1.59 Billion

On 16 March 2017, the Ministry of Education, Science and Technology (MoEST) engaged the Mbeya University of Science and Technology (MUST) Consultancy Bureau to undertake a physical condition survey, prepare Bills of Quantities (BoQ) and Drawings in the rehabilitation of eleven teachers' college, including Ilonga Teachers College for TZS 582.7 million. MoEST released funds totalling TZS 1.59 billion in two equal instalments of TZS 797.47 million in November 2017 and May 2018 to finance the rehabilitation of Ilonga Teachers College (ITC) through the Force Account Model. The project was implemented from January 2018 to January 2019.

MoEST and MUST had agreed to carry out the physical condition survey jointly on all works planned to be performed. There was no evidence to confirm that MoEST had participated in the physical condition survey of the

buildings and systems that were to be rehabilitated. Nonetheless, there was no evidence that the College Board had inspected the rehabilitation works completed at Ilonga Teachers College (ITC).

The audit also found that MUST had irregularly replaced Site Supervisors without prior approval from the employer (MoEST). Such lapses catalyzed MUST to have lacked adequate supervision over the work performed. In the wake of inadequate supervision, I am concerned that the rehabilitated works at TZS 1.59 billion provided no value for money because MUST and Ilonga Teachers College did not exercise their contractual obligations fully.

I recommend the Ilonga Teachers College adequately supervise the implemented projects to ensure that the value for money is optimized. MoEST should also take appropriate disciplinary measures against officers who failed to supervise the rehabilitation work at Ilonga Teachers College.

15.7.2 Irregularities found in the Bills of Quantities Prepared by MUST (Consultancy Bureau) TZS 522.10 Million

In the audit, I found that the BoQ prepared by the MUST (Consultancy Bureau) allocated TZS 254.53³² million for the rehabilitation works of the ICT systems, electrical systems, water tanks (200,000 litres), 20 septic tanks and soak-way pits. However, no drawings were completed by the MUST (Consultancy Bureau) as required by the contract. The audit also noted that materials priced in the BoQ were valued at TZS 121.79 million. However, Ilonga Teachers College (ITC) had purchased materials totalling TZS 364.76 million, including materials totalling TZS 242.98 million that were not included in the BoQ.

MUST (Consultancy Bureau) put forth that Ilonga Teachers College (ITC) had offered three days to perform a physical condition survey short of which only a few areas were visited. As long as the sites visited were few, Ilonga Teachers College (ITC) had to purchase additional supplies than those specified in the BoQ to rehabilitate areas that had not been previously identified and measured. In spite of the response, it is a concern that MUST

³² ICT Systems TZS 92,413,621.60, Electrical Systems TZS 94,120,500, Water Tanks TZS 65,000,000, and Skeptic Tanks TZS 3,000,000

did not carry out the consultancy services professionally, and the lack of such due care has elevated the Ilonga Teachers College (ITC) to incur TZS 242.98 million not budgeted.

In further investigation, I also found items totalling TZS 24.59 million were procured in the specification not indicated in the BoQ and saved TZS 36.62 million. The saved amount was superfluous as long as the items procured were substandard and had short lives. On account of deficiencies noted, the government has suffered a loss of TZS 267.57 million resulting from purchasing additional materials not included in the BoQ for TZS 242.98 million and substandard items at TZS 24.59 million. It is also a concern that the works valued at TZS 254.53 million were carried out unprofessionally since there were no drawings to follow.

I recommend MUST to compensate the government for the loss totalling TZS 267.57 million incurred in procuring additional materials used in areas that were not visited and measured. MUST should also reimburse Ilonga Teachers College for the TZS 24.59 million it spent on inferior supplies.



15.7.3 Irregularities in the Procurement and Stores Management TZS 1.59 Billion

Ilonga Teachers College (ITC) had also incurred TZS 1.54 billion for purchasing materials, transport costs, and local artisans' payment without preparing the Annual Procurement Plan, thereby violating the Force Accounts Guidelines issued by MoEST in November 2017.

As part of my investigation, I examined the procurement procedures that were utilized to engage local artisans and found that the lowest-priced local artisans were not selected in the following lots: lot 1, lot 4, lot 15, lot 14, and lot 34. Instead, the highest bidders were nominated and prevented Ilonga Teachers College (ITC) from saving TZS 46.55 million. By dint of the inadequate storage, I also found that store items totalling TZS 3.55 million remained redundant as well as unused and resulted in a loss of the same to the government. In tandem with the noted anomaly, Ilonga Teachers College (ITC) could not constitute evidence and support the utilization records of 215 cement bags worth TZS 3.01 million taken from the store. Inevitably, the audit confirms that the 215 cement bags were

misappropriated, and hence the government earned a loss of the same value.

I recommend the Ilonga Teachers College adhere to procurement laws and procedures in implementing force account projects and that any losses suffered should be recovered from the concerned individuals.

15.7.4 Inadequate Supervision by MUST has Caused Substandard Works Performed valued at TZS 129.62 Million

During my inspection, I found out that fibre tapes were not used to join the gypsum boards. This caused the gypsum boards at Sofia Dormitory and the Computer Lab to blister and bubble. In the same way, I found that the gypsum boards at the Mwaga/Kingara dormitory had not been skimmed. They were also not properly fastened, with cracking joints and loose parts.

Even more incredibly, when UV light ages the gypsum boards on the floor, uneven darkening is noticed on the boards. Along with the noted deficiencies that were identified, the audit also found out that doors and windows were improperly installed and fixed, floors were not well surfaced, and that dampness, wear, and cracks were noticed all the time. Septic tanks and soak way pits were also poorly designed, allowing surface water to enter and nearly always resulting in an overflow.

I also noticed that 19 ceiling fans, which had been fitted for TZS 680,000, were not functioning. I further found that Ilonga Teachers' College (ITC) had paid TZS 5 million to one of the website designers for the development of the college website. However, there was no evidence to confirm that the college website had been developed by the time of the audit in July 2020.

Aside from that, and due to inadequate supervision of work by MUST, I found that ICT systems work totalling TZS 23.10 million had not been performed despite hiring an ICT expert. In conjunction, I found that ICT equipment totalling TZS 81.13 million for public address system, server installation, CCTV camera, intercom system, and LAN (local area network) had not been procured. I further learned that the budgeted funds had been allocated to perform other work that was not related to the project. Ilonga Teachers' College (ITC) had also suffered a loss of TZS 19.72 million due to the repetition of floor works that had already been performed in nine classes and seven dormitories.

In the wake of inadequate supervision of works, Ilonga Teachers College (ITC) had incurred a loss of TZS 129.62³³ million. This amount might have been saved and used to fund other college needs had proper supervision been provided.

In light of the aforementioned losses, I recommend the government to be compensated by MUST for the losses that it has suffered.

15.8 Forensic Audit on the Construction of Mwasonge Bridge at Misungwi District Council

The construction of the Mwasonge Bridge was overseen and implemented by TARURA Mwanza, with TARURA Misungwi serving as project manager. PCCB Mwanza received allegations that TARURA Mwanza had made payments in excess of the amount of actual work executed and those variations had been approved without following the procedures set out in the Public Procurement Laws and Regulations.

In light of those allegations, PCCB requested that my office conduct a forensic audit to determine whether payments were made for works that were not completed, whether public procurement procedures were violated in awarding the contract to the contractor, and whether all variations approved were in accordance with public procurement procedures. In the investigation, the following was revealed.

15.8.1 Tender for the Construction of the Mwasonge Bridge and Access Road was unfairly awarded TZS 829.54 Million

In 2015, Misungwi District Council (MDC) planned to construct Mwasonge-Bulale Road 1 km and Mwasonge Bridge over the Nyashishi River and budgeted TZS 1.01 billion in 2016/17. In May 2017, PORALG disbursed TZS 553.83 million, but the funds were not utilized until 30 June 2017. In July 2017, TARURA was enacted, and MDC channeled all funding to TARURA Misungwi Office for the purpose of developing the project. In October 2017, the Road Fund Board also disbursed TZS 476.17 million and made total funds available, totalling TZS 1.03 billion. In November 2017, TARURA Mwanza initiated procurement procedures. And on 21 February 2018, TARURA Mwanza engaged one of the contractors to construct the Mwasonge Bridge

³³ Ceiling fans not working TZS 680,000, website not developed TZS 5,000,000, ICT systems not performed TZS 23,103,405, ICT equipment not procured TZS 81,125,981 and cost incurred on repeated job TZS 19,715,000.

and access road at a cost of TZS 829.54 million from 1 March 2018 to 1 June 2018.

In reviewing the procurement procedures, I found that the tender data sheet required the contractor to submit tender security in the form of a bank guarantee, which I confirmed with one of the procurement officers. But, in my scrutiny, I found that the contractor had filed a tender declaration form rather than the bank guarantee that was specified in the tender data sheet. The submission of the tender declaration form in lieu of the bank guarantee was against the requirements stated in the Tender Data Sheet. Hence, it is evident that the contractor did not comply with the criteria stated in the Tender Data Sheet, and thus, he was unfairly awarded. The unfair award of the tender to the contractor has undermined effective competition, integrity, and fairness among prospective bidders. Eventually, the value for money was not met.

I recommend the Chief Executive Officer of TARURA take appropriate disciplinary actions against the evaluation team, Tender Board, HPMU, and Regional Manager for their failure to observe fairness in the evaluation and award process.

15.8.2 Loss Experienced by TARURA Mwanza for Preparing Substandard Design TZS 9.89 Million

In further review, I found that the bidding document used during the tendering process included a design that was not in conformity with the bridge construction guidelines issued by TARURA. And that design was completed by one of the engineers at TARURA Mwanza and was paid TZS 9.89 million. Consistent with this divergence, I learned that the TARURA Chief Executive Officer had apparently rejected that design; on the other hand, the contract had already been signed. In the wake of such a rejection, I found that TARURA Mwanza suspended the contractor from continuing with construction works until a new design had been completed. The audit found that a new design was drafted and completed after seven months and had delayed the project's commencement for the same period.

I further found that the new design established the engineering estimates amounting to TZS 1.56 billion and caused the work estimates to increase from TZS 829.54 million as signed in the original contract to TZS 1.56 billion. A further review confirmed that an increase of TZS 727.34 million was due

to a revision in work scope that increased the bridge length from 30m to 60m. In my further review, I found that the BOQ value of TZS 1.56 billion had arithmetic errors of TZS 356.15 million, which were corrected and increased the engineering estimates to TZS 1.91 billion. I am concerned that substandard design has caused the project to be delayed for seven months, and the TZS 9.89 million that has been paid to the engineer is a loss to TARURA Mwanza.

I recommend the Chief Executive Officer of TARURA take disciplinary action against the concerned engineer and recover the loss suffered.

15.8.3 Contractor Implemented Additional Works Amounting to TZS 187.18 Million without Tender Board Approval

Until December 2018, the audit confirmed that TARURA Misungwi spent a total of TZS 1.03 billion on executing Mwasonge Bridge. Of the total amount paid, TZS 989.42 million was paid to the contractor, TZS 28.46 million was paid to DIT for a geotechnical survey, and TZS 12.1 million was a supervision cost. Despite the fact that TARURA Misungwi had incurred such a large amount, the audit found that Mwasonge Bridge was not completed and the contractor executed additional works totalling TZS 159.88 million without approval of the Tender Board. Implementing additional work without Tender Board approval violates Regulation 110(3) of the Public Procurement Regulations, 2013 as amended by Regulation 36 of the Public Procurement (Amendment) Regulations, 2016.

An audit found that in 2020/21, Parliament approved TZS 938.39 million for TARURA Mwanza to complete the construction of the Mwasonge Bridge and access road. I further found that TARURA Mwanza received TZS 891.78 million out of the approved amount, and TZS 46.61 million was not released. On October 23, 2020, the same contractor was awarded a second contract for TZS 854.52 million to finish the remaining works not covered by the first contract.

On 16 February 2021, the work was substantially completed, and the defect liability period was scheduled to end on 16 February 2022. The audit found that until 29 September 2021, TARURA Mwanza paid TZS 834.34 million to the contractor for work executed.

However, works related to gabions, stone pitching, masonry walls, and grass planting, totalling TZS 27.3 million, were rescoped to increase embarkment base works. But there is no evidence of the approval by the Tender Board contrary to the referred regulation. My audit found that TARURA Mwanza had violated Regulation 110(3) of the Public Procurement Regulations, 2013, as amended by Regulation 36 of the Public Procurement (Amendment) Regulations, 2016, for additional works totalling TZS 187.18 million that were carried out without tender board approval.

In the wake of such non-compliance, I recommend the TARURA Chief Executive Officer take appropriate disciplinary actions against all individuals who were involved in permitting the contractor to perform additional work without tender board approval.

15.9 Special Audit on the Assets and Liabilities of Moshi Arusha Occupational Health Services (MAOHS)

Moshi Arusha Occupational Health Services (MAOHS) was established in 1973 following the Public Corporations Establishment Order No. 2/46/050 of 17 November 1967. The purpose of the establishment was to provide medical check-ups, treatment, and vaccinations to the industrial workers working in the public corporations. This would allow them to be more productive while improving their health.

The Paymaster General requested my office perform a special audit to establish MAOHS assets from 1973 to February 2021, which would be incorporated into the Government Assets Register, improve the facility, and designate it as Moshi Municipal Hospital under PORALG. In my audit, the following was revealed.

15.9.1 MAOHS had Total Assets Totalling TZS 4.48 Billion and Total Liabilities Totalling TZS 610.31 Million as of 28 February 2021

At the MAOHS Board of Directors meeting held on 15 June 2017, it was decided that the MAOHS organization be privatized by the Dar- Group under the Tanzania Occupational Health Service (TOHS). However, there were no records to vouch for the privatization agreements that were submitted. In the wake of that, I could not conclude that MAOHS had been privatized by Dar-Group Hospital, as had been suggested by the MAOHS Board of Directors. In further review, I could not confirm MAOHS capital since no records of the capital contribution had been furnished for scrutiny throughout the investigation. In the course of the document review, I found that MAOHS

owns total assets totalling TZS 4.48 billion as of 28 February 2021. The total assets owned constitute NMB Bank Balances of TZS 637,255.60, NHIF Claims of TZS 32.35 million, rent not collected of TZS 1.2 million, and fixed assets of TZS 4.44 billion.

In conjunction with assets recognized, MAOHS furnished a debt schedule totalling TZS 71.9 million, which covered the period from January 2007 to February 2020. However, upon scrutiny, I could not confirm claims totalling TZS 34.01 million related to individuals and suppliers as the records submitted had lacked sufficient evidence to confirm the validity of the claims in question. I further found that the claims submitted had included staff claims totalling TZS 37.91 million. But I could not vouch for the authenticity of the claims propounded since no sufficient records had been submitted to confirm the legitimacy of the claims under investigation.

Although the audit could not ascertain the validity of debts presented by MAOHS, I was able to establish MAOHS's total liabilities. The audit determined that as of 28 February 2021, MAOHS had total liabilities totalling TZS 610.31 million, which included statutory deductions of TZS 435.65 million, staff claims of TZS 166.76 million, as well as claims from individuals and suppliers of TZS 7.91 million. In reviewing MAOHS operations, I found that, among other things, MAOHS had no financial policies and procedures manual, staff regulations, human resources manual, hospital operation policies and procedures manual.

In the wake of such a shortfall, I recommend the government settle all liabilities and designate MAOHS as Moshi Municipal Hospital under the supervision of the PORALG, thus obviating MAOHS from providing medical services to the community.

15.10 Forensic Audit on the Rehabilitation and Remodelling of Mzumbe Secondary

The Tanzania Education Authority (TEA) manages the Education Fund. The fund is geared towards financing educational development projects at all pre-primary, primary, secondary and tertiary levels. In 2016/17 and 2018/19, TEA funded the construction of the national secondary schools. PCCB received allegations that TEA had overpaid the contractor (NHC) for the rehabilitation and renovation of Mzumbe Secondary School. My office was requested by PCCB to assess the procurement process involved, and

establish any overpayments made, losses incurred, and identify individuals who were involved. In the investigation, the following was revealed:

15.10.1 Tender for Rehabilitation and Modelling of Mzumbe Secondary School was awarded to NHC without TEA Tender Board's Approval

In July 2016, I found that TEA had hired a private consulting firm to supervise the rehabilitation and remodelling of Mzumbe Secondary School. The tender board approved the solicitation document and restrictive tendering method to guide the procurement process in December 2016. TEA awarded NHC a contract in May 2017 in the anticipation to complete those works by 30 May 2018 for TZS 999.74 million.

During my investigation, I found that the TEA Tender Board was not involved in the approval of the evaluation team's recommendations for awarding a tender to NHC. In the same way, HPMU put forth that the TEA Tender Board did not approve the evaluation report and recommended that the tender be awarded to NHC. But the joint team formed by TEA and the consultant was involved in the evaluation and recommended the award to NHC directly to the TEA Director General. Even though the supervision contract between the consultant and TEA allowed the setting up of a joint team that was involved in recommending an award to the TEA Director General, the failure to engage the TEA Tender Board in reviewing and approving the evaluation report and recommending the award to the TEA Director General violated Section 75 of the Public Procurement Act, Cap 410.

In the wake of such a violation, the TEA Tender Board's roles in approving the tender evaluation report, negotiation, and recommendation of tender award were overridden.

I recommend the TEA Board of Directors pursue appropriate disciplinary actions against the TEA Acting Director General and TEA HPMU for failing to comply with public procurement legislation.

15.10.2 Payments to NHC for Works not Performed TZS 141.73 million

NHC completed the rehabilitation and remodelling work at Mzumbe Secondary School in May 2019. Based on the review and measurement of seven Interim Payment Certificates (IPCs), I found that NHC performed work valued at TZS 1.08 billion at Mzumbe Secondary School, but TEA paid TZS

1.22 billion. The total amount paid included TZS 141.73 million for work that did not appear to be executed. The audit confirmed that the contracted firm's Quantity Surveyor and TEA Project Manager had prepared and endorsed the interim valuations without measuring the actual work performed. As a result of this practice, rehabilitation work worth TZS 141.73 million was included in Interim Payment Certificates (IPCs) but was never performed.

In the wake of inadequate supervision, the TEA Project Manager facilitated NHC being overpaid by TEA, causing TEA to lose TZS 141.73 million.

I recommend the overpayments made to NHC be refunded to TEA and appropriate disciplinary actions be taken against the TEA Project Manager.

15.10.3 NHC implemented Additional Works without TEA Tender Board Approval TZS 86.52 million

Following a review of seven interim payment certificates totaling TZS 1.22 billion paid to NHC, I found that the TEA Director General had authorized the private consultant to instruct NHC to perform additional work totaling TZS 86.52 million. I also found that the additional work approved by the TEA Director General was carried out for seven months without the approval of the TEA Tender Board.

After seven months, I found that the TEA Tender Board recalled the consultant to suspend the execution of additional works and to submit a list of additional works completed and those not completed for retrospective approval. Despite the fact that the TEA Tender Board granted retrospective approval, I am concerned that the TEA Director General violated Regulation 110 (5) of the Public Procurement Regulations 2013, as amended by Regulation 36 of the Public Procurement Regulations (Amendments) Act, 2016 by authorizing additional work without prior approval from the TEA Tender Board.

I recommend the TEA Board of Directors impose appropriate disciplinary action on the TEA Director General for willfully violating public procurement legislation.

15.11 Forensic Audit on the Implementation of Rural Electrification Projects in REA Phases II and III in the Mara Region

The Rural Energy Agency (REA) was established to promote and facilitate improved access to modern energy services in Tanzania's mainland rural areas. REA contracted a local electrical contractor from 2013 to 2017 to complete electrification projects in REA Phases II and III in the Mara Region. There were allegations that the government paid for the electrical equipment used in REA phase II, and that some of the equipment remained after the completion REA phase II project were not handed over to the government. The remaining REA Phase II equipment was allegedly used to implement REA Phase III, and the government repaid them. PCCB requested my office to conduct a forensic audit in response to these allegations.

The audit's objective was to evaluate the overall performance of REA II and III and determine any losses incurred by the government on REA II equipment used in the implementation of REA III. The audit also sought to determine the electrical poles used in REA III and whether the supplier had provided the local contractor with a warranty. During the investigation, the following facts were discovered that:

15.11.1 REA Suffered a Loss of TZS 329.62 million due to the Contractor's failure to hand over the remaining materials after the Completion of REA II Project

On 23 August 2013, REA awarded a turnkey contract to one of the local contractors to supply and install distribution substations 11/33KV, medium and voltage lines, transformers, and customer connections in unelectrified rural areas of Mara Region for TZS 59.21 billion, including addendum and value added tax. The scope of work included the installation of a medium voltage 33kv line over 1,193km and a low voltage line over 493km, as well as the distribution and installation of three-phase transformers of 25KVA (34 units), 50KVA (148 units), 100KVA (25 units), and 200KVA (8 units). On the same day (23 August 2013), REA contracted TANESCO as a project manager to oversee the execution of work while also inspecting the quality of materials used to ensure compliance with best industry practices.

TANESCO was required to issue the acceptance certificate to the contractor in order for the contractor to claim payments as soon as it was confirmed that the contractor had received all the equipment of the required quality.

Until August 2018, when REA II Project was completed, REA had already paid the local contractor TZS 59.21 billion for all contracted works. When I measured the actual work completed and materials used, I found that the local contractor had only completed 1,183 km of the total 1,193 km of medium voltage lines to be electrified, with 10 km not implemented. TANESCO final completion certificate, which was issued on 8 June 2017, also confirmed that the local contractor had completed 1,183 km of the medium voltage lines against the 1,193Km required by the contract.

The audit confirmed that materials worth TZS 329.62 million for the 10 kilometers that were not completed and eligible for handover to TANESCO under the contract terms were not handed over to TANESCO, resulting in a TZS 329.62 million loss to the government. I am concerned that TANESCO did not adequately measure the works performed in order to identify the remaining materials on uncompleted works before issuing the project's final completion certificate to the contractor. In the wake of such a flaw, the government lost TZS 329.62 million due to inadequate supervision of REA II project by TANESCO.

I recommend REA compel the local contractor to hand over or refund the value of the materials remaining in REA Phase II. REA should also impose adequate supervision on TANESCO in order for the rural electrification projects to be successfully implemented without causing losses to REA.

APPENDICES

Appendix I: The Trend of Audit Opinions for Audited Entities for Three Years

SN	Name	Category	2020/21	2019/20	2018/19
1	Teachers Service Commission	2	Unqualified	Unqualified	Unqualified
2	National Land Use and Planning Commission	3	Unqualified	Unqualified	Adverse
3	President's Office - Records and Archives Management Department (PO-RAMD)	4	Unqualified	Unqualified	Unqualified
4	National Irrigation Commission	5	Unqualified	Unqualified	Unqualified
5	Treasury Registrar	7	Unqualified	Unqualified	Unqualified
6	President's Office Public Service Remuneration Board	9	Unqualified	Unqualified	Unqualified
7	Joint Finance Commission (JFC)	10	Unqualified	Unqualified	Unqualified
8	Judicial Service Commission	12	Unqualified	Unqualified	Unqualified
9	Financial Intelligence Unit (FIU)	13	Unqualified	Unqualified	Unqualified
10	Fire and Rescue Force	14	Unqualified	Unqualified	Qualified
11	Commission for Mediation and Arbitration (CMA)	15	Unqualified	Unqualified	Unqualified
12	Office of Attorney General	16	Unqualified	Unqualified	Unqualified
13	UNESCO National Commission	18	Unqualified	Adverse	Unqualified
14	Office of Solicitor General	19	Unqualified	Unqualified	Unqualified
15	President's Office - State House	20	Unqualified	Unqualified	Unqualified
16	Treasury Department	21	Unqualified	Unqualified	Unqualified
17	Public Debt and General Service Department	22	Unqualified	Unqualified	Unqualified
18	Accountant General's Department	23	Unqualified	Unqualified	Unqualified
19	Tanzania Cooperatives Development Commission	24	Unqualified	Unqualified	Unqualified
20	Prime Minister's Private Office	25	Unqualified	Unqualified	Unqualified
21	Vice President - Private Office	26	Unqualified	Unqualified	Unqualified
22	Registrar of Political Parties	27	Unqualified	Unqualified	Unqualified
23	Tanzania Police Force	28	Unqualified	Unqualified	Unqualified
24	Prisons Service Department	29	Unqualified	Unqualified	Unqualified

SN	Name	Category	2020/21	2019/20	2018/19
25	President's Office - Cabinet Secretariat	30	Unqualified	Unqualified	Unqualified
26	Vice President's Office	31	Unqualified	Unqualified	Unqualified
27	President's Office Public Service Management and Good Governance	32	Unqualified	Unqualified	Unqualified
28	President's Office Ethics Secretariat	33	Unqualified	Unqualified	Unqualified
29	Ministry of Foreign Affairs and East African Cooperation	34	Unqualified	Unqualified	Qualified
30	National Prosecutions Services (NPS)	35	Unqualified	Unqualified	Unqualified
31	Prime Minister's Office	37	Unqualified	Unqualified	Unqualified
32	Tanzania Peoples Defence Forces (TPDF)	38	Unqualified	Unqualified	Unqualified
33	National Service Force (JKT)	39	Unqualified	Unqualified	Unqualified
34	Judiciary of Tanzania	40	Unqualified	Unqualified	Unqualified
35	Ministry of Constitutional and Legal Affairs	41	Unqualified	Unqualified	Unqualified
36	National Assembly	42	Unqualified	Unqualified	Unqualified
37	Ministry of Agriculture	43	Unqualified	Unqualified	Unqualified
38	Ministry of Industry and Trade (Vote 44)	44	Unqualified	Unqualified	Unqualified
39	Ministry of Education, Science and Technology	46	Unqualified	Unqualified	Unqualified
40	Ministry of Lands, Housing and Human Settlements Development	48	Unqualified	Unqualified	Unqualified
41	Ministry of Water	49	Unqualified	Unqualified	Unqualified
42	Ministry of Finance and Planning	50	Unqualified	Unqualified	Unqualified
43	Ministry of Home Affairs	51	Unqualified	Unqualified	Unqualified
44	Ministry of Health, Community Development, Gender Elders and Children (Vote 52)	52	Unqualified	Unqualified	Unqualified
45	Ministry of Health, Community Development, Gender Elders and Children (Vote 53)	53	Unqualified	Unqualified	Unqualified
46	Commission for Human Rights and Good Governance	55	Unqualified	Unqualified	Unqualified
47	PO - Regional Administration and Local Government	56	Unqualified	Unqualified	Unqualified
48	Ministry of Defence and National Service	57	Unqualified	Unqualified	Unqualified
49	Ministry of Energy	58	Unqualified	Unqualified	Unqualified

SN	Name	Category	2020/21	2019/20	2018/19
50	Law Reform Commission of Tanzania	59	Unqualified	Unqualified	Unqualified
51	Ministry of Industry and Trade (Vote 60)	60	Unqualified	Unqualified	Unqualified
52	National Electoral Commission (NEC)	61	Unqualified	Unqualified	Unqualified
53	Ministry of Works and Transport - Transport Sector	62	Unqualified	Unqualified	Unqualified
54	Ministry of Livestock and Fisheries (Fisheries Sector)	64	Unqualified	Unqualified	Unqualified
55	Prime Minister's Office - Labour, Youth, Employment and Persons with Disability	65	Unqualified	Unqualified	Unqualified
56	President's Office Public Service Recruitment Secretariat	67	Unqualified	Unqualified	Unqualified
57	Ministry of Works and Transport- Transport Sector	68	Unqualified	Unqualified	Qualified
58	Ministry of Natural Resources and Tourism	69	Unqualified	Unqualified	Unqualified
59	Drugs Control and Enforcement Authority	91	Unqualified	Unqualified	Unqualified
60	Tanzania Commission for AIDS (TACAIDS)	92	Unqualified	Unqualified	Unqualified
61	Immigration Services Department	93	Unqualified	Unqualified	Unqualified
62	President's Office Public Service Commission	94	Unqualified	Unqualified	Unqualified
63	Ministry of Information, Youth, Culture and Sports	96	Unqualified	Unqualified	Qualified
64	Ministry of Works and Transport - Works	98	Unqualified	Unqualified	Unqualified
65	Ministry of Livestock & Fisheries (Livestock)	99	Unqualified	Unqualified	Unqualified
66	Ministry of Minerals	100	Unqualified	Unqualified	Unqualified
67	Katavi Regional Secretariat	36	Unqualified	Unqualified	Unqualified
68	Simiyu Regional Secretariat	47	Unqualified	Unqualified	Unqualified
69	Njombe Regional Secretariat	54	Unqualified	Unqualified	Unqualified
70	Geita Regional Secretariat	63	Unqualified	Unqualified	Unqualified
71	Arusha Regional Secretariat	70	Unqualified	Unqualified	Unqualified
72	Pwani Regional Secretariat	71	Unqualified	Unqualified	Unqualified
73	Dodoma Regional Secretariat	72	Unqualified	Unqualified	Unqualified

SN	Name	Category	2020/21	2019/20	2018/19
74	Iringa Secretariat	Regional	73	Unqualified	Unqualified
75	Kigoma Secretariat	Regional	74	Unqualified	Unqualified
76	Kilimanjaro Secretariat	Regional	75	Unqualified	Unqualified
77	Lindi Secretariat	Regional	76	Unqualified	Unqualified
78	Mara Secretariat	Regional	77	Unqualified	Unqualified
79	Mbeya Secretariat	Regional	78	Unqualified	Unqualified
80	Morogoro Secretariat	Regional	79	Unqualified	Unqualified
81	Mtwara Secretariat	Regional	80	Unqualified	Unqualified
82	Mwanza Secretariat	Regional	81	Unqualified	Unqualified
83	Ruvuma Secretariat	Regional	82	Unqualified	Unqualified
84	Shinyanga Secretariat	Regional	83	Unqualified	Unqualified
85	Singida Secretariat	Regional	84	Unqualified	Unqualified
86	Tabora Secretariat	Regional	85	Unqualified	Unqualified
87	Tanga Secretariat	Regional	86	Unqualified	Unqualified
88	Kagera Secretariat	Regional	87	Unqualified	Unqualified
89	Dar es Salaam Regional Secretariat	Regional	88	Unqualified	Unqualified
90	Rukwa Secretariat	Regional	89	Unqualified	Unqualified
91	Songwe Secretariat	Regional	90	Unqualified	Unqualified
92	Manyara Secretariat	Regional	95	Unqualified	Unqualified
93	Tanzanian Embassy in Addis Ababa, Ethiopia	2001	Unqualified	Qualified	Adverse
94	Tanzanian Embassy in Berlin, Germany	2002	Unqualified	Unqualified	Unqualified
95	Tanzanian Embassy in Cairo, Egypt	2003	Unqualified	Unqualified	Qualified
96	Tanzanian Embassy in Kinshasa, Democratic Republic of Congo	2004	Unqualified	Unqualified	Unqualified
97	High Commission of Tanzania - Abuja, Nigeria	2005	Unqualified	Unqualified	Unqualified
98	High Commission of Tanzania - London	2006	Unqualified	Unqualified	Unqualified
99	High Commission of Tanzania - Lusaka, Zambia	2007	Unqualified	Unqualified	Qualified

SN	Name	Category	2020/21	2019/20	2018/19
100	Tanzanian Embassy in Maputo, Mozambique	2008	Unqualified	Unqualified	Unqualified
101	Tanzanian Embassy in Moscow, Russia	2009	Unqualified	Unqualified	Unqualified
102	High Commission of Tanzania - New Delhi, India	2010	Unqualified	Unqualified	Unqualified
103	Permanent Mission to the UN- New York	2011	Unqualified	Unqualified	Unqualified
104	High Commission of Tanzania - Ottawa, Canada	2012	Unqualified	Unqualified	Unqualified
105	Tanzanian Embassy in Paris, France	2013	Unqualified	Unqualified	Unqualified
106	Tanzanian Embassy in Beijing, China	2014	Unqualified	Unqualified	Unqualified
107	Tanzanian Embassy in Rome, Italy	2015	Unqualified	Unqualified	Unqualified
108	Tanzanian Embassy in Stockholm, Sweden	2016	Unqualified	Unqualified	Unqualified
109	Tanzanian Embassy in Tokyo, Japan	2017	Unqualified	Unqualified	Unqualified
110	Tanzanian Embassy in Washington, DC, United States	2018	Unqualified	Unqualified	Unqualified
111	Tanzanian Embassy in Brussels, Belgium	2019	Unqualified	Unqualified	Unqualified
112	Permanent Mission to the UN - Geneva	2020	Unqualified	Unqualified	Unqualified
113	Tanzanian Embassy in Kampala, Uganda	2021	Unqualified	Unqualified	Unqualified
114	High Commission of Tanzania - Harare, Zimbabwe	2022	Unqualified	Unqualified	Unqualified
115	Tanzanian Embassy in Nairobi, Kenya	2023	Unqualified	Unqualified	Unqualified
116	Tanzanian Embassy in Riyadh, Saudi Arabia	2024	Unqualified	Unqualified	Unqualified
117	Tanzanian Embassy in Pretoria, South Africa	2025	Unqualified	Unqualified	Unqualified
118	Tanzanian High Commission in Kigali, Rwanda	2026	Unqualified	Unqualified	Qualified
119	Tanzanian Embassy in Abu Dhabi, United Arab Emirates	2027	Unqualified	Unqualified	Unqualified
120	Tanzanian Embassy in Bujumbura, Burundi	2028	Unqualified	Unqualified	Unqualified
121	Tanzanian Embassy in Muscat, Oman	2029	Unqualified	Unqualified	Unqualified
122	Tanzanian Embassy in Lilongwe, Malawi	2030	Unqualified	Unqualified	Unqualified
123	Tanzanian Embassy in Brasillia, Brazil	2031	Unqualified	Unqualified	Unqualified

SN	Name	Category	2020/21	2019/20	2018/19
124	High Commission of Tanzania - Kuala Lumpur, Malaysia	2032	Unqualified	Unqualified	Unqualified
125	Tanzania Embassy-The Hague	2033	Unqualified	Unqualified	Unqualified
126	Tanzanian Embassy in Moroni, Comoro	2034	Unqualified	Unqualified	Qualified
127	Tanzanian Embassy in Kuwait	2035	Unqualified	Unqualified	Unqualified
128	Tanzanian Embassy in Algiers, Algeria	2036	Unqualified	Unqualified	Unqualified
129	Tanzanian Embassy in Ankara, Turkey	2037	Unqualified	Unqualified	Unqualified
130	Tanzanian Embassy in Khartoum, Sudan	2038	Unqualified	Unqualified	Qualified
131	Tanzania Embassy in Seoul - Korea	2039	Unqualified	Unqualified	Unqualified
132	Tanzanian Embassy in Tel Aviv, Israel	2040	Unqualified	Unqualified	Unqualified
133	Tanzanian Embassy in Doha	2041	Unqualified	Unqualified	Unqualified
134	Tanzania Embassy in Havana -Cuba	2042	Unqualified	Unqualified	Not prepare FS
135	Tanzanian Embassy in Windhoek, Namibia	2043	Unqualified	Not existed	Not existed
136	Agency for Development of Education Management (ADEM)	Agency	Unqualified	Qualified	Unqualified
137	Agriculture Seeds Agency (ASA)	Agency	Unqualified	Unqualified	Unqualified
138	Business Registration and Licensing Agency (BRELA)	Agency	Unqualified	Unqualified	Qualified
139	Dar Rapid Transit Agency (DART)	Agency	Unqualified	Unqualified	Unqualified
140	e-Government Authority (e-GA)	Agency	Unqualified	Unqualified	Unqualified
141	Eastern Africa Statistical Training Centre	Agency	Unqualified	Unqualified	Unqualified
142	Fisheries Education and Training Agency (FETA)	Agency	Unqualified	Unqualified	Unqualified
143	Geological Survey of Tanzania (GST)	Agency	Unqualified	Unqualified	Unqualified
144	Government Chemist Laboratory Authority	Agency	Unqualified	Unqualified	Unqualified
145	Government Procurement Service Agency (GPSA)	Agency	Unqualified	Qualified	Unqualified
146	Livestock Training Agency (LITA)	Agency	Unqualified	Unqualified	Unqualified
147	National College of Tourism	Agency	Unqualified	Unqualified	Unqualified
148	National Food Reserve Agency (NFRA)	Agency	Unqualified	Unqualified	Unqualified

SN	Name	Category	2020/21	2019/20	2018/19
149	Occupational Safety and Health Agency (OSHA)	Agency	Unqualified	Unqualified	Unqualified
150	Petroleum Bulk Procurement Agency (PBPA)	Agency	Unqualified	Unqualified	Unqualified
151	Registration Insolvency and Trusteeship Agency (RITA)	Agency	Unqualified	Unqualified	Unqualified
152	Rural Water Supply and Sanitation Agency (RUWASA)	Agency	Unqualified	Unqualified	Not existed
153	Taasisi ya Sanaa na Utamaduni Bagamoyo (TaSuBa)	Agency	Unqualified	Unqualified	Unqualified
154	Tanzania Airport Authority (TAA)	Agency	Unqualified	Unqualified	Unqualified
155	Tanzania Building Agency (TBA)	Agency	Unqualified	Unqualified	Unqualified
156	Tanzania Electrical, Mechanical and Services Agency (TEMESA)	Agency	Unqualified	Unqualified	Unqualified
157	Tanzania Forest Service Agency (TFSA)	Agency	Unqualified	Unqualified	Unqualified
158	Tanzania Government Flight Agency (TGFA)	Agency	Unqualified	Unqualified	Unqualified
159	Tanzania Institute of Accountancy (TIA)	Agency	Unqualified	Unqualified	Unqualified
160	Tanzania Meteorological Agency (TMA)	Agency	Unqualified	Unqualified	Unqualified
161	Tanzania National Road Agency (TANROADS)	Agency	Unqualified	Unqualified	Unqualified
162	Tanzania Public Service College (TPSC)	Agency	Unqualified	Unqualified	Unqualified
163	Tanzania Veterinary Laboratory Agency (TVLA)	Agency	Unqualified	Unqualified	Unqualified
164	Tanzania Rural and Urban Roads Agency (TARURA)	Agency	Unqualified	Unqualified	Unqualified
165	Water Institute	Agency	Unqualified	Unqualified	Unqualified
166	Weights and Measures Agency (WMA)	Agency	Unqualified	Unqualified	Unqualified
167	Advances Fund	Fund	Unqualified	Unqualified	Unqualified
168	Agriculture Inputs Trust Fund (AGITF)	Fund	Unqualified	Unqualified	Unqualified
169	Constituencies Development Catalyst Fund (CDCF)	Fund	-	-	Not audited
170	Empowering Mining Development Fund (EMDF)	Fund	Unqualified	Unqualified	Unqualified
171	Inspection and Supervision of Cooperatives Fund	Fund	Unqualified	Unqualified	Unqualified

SN	Name	Category	2020/21	2019/20	2018/19
172	Irrigation Development Fund (IDF)	Fund	Unqualified	Not existed	Not existed
173	Livestock Development Fund (LDF)	Fund	Unqualified	Unqualified	Unqualified
174	National Fund For Antiquities (NFA)	Fund	Unqualified	Unqualified	Unqualified
175	National Disaster Management Fund	Fund	Unqualified	Unqualified	Unqualified
176	National Water Fund (NWF)	Fund	Unqualified	Unqualified	Unqualified
177	Plant Breeders Right Development Fund	Fund	Unqualified	Unqualified	Unqualified
178	Road Fund (PO-RALG)	Fund	Unqualified	Unqualified	Unqualified
179	Roads Fund Board	Fund	Unqualified	Unqualified	Unqualified
180	Southern Agricultural Growth Corridor of Tanzania Catalytic Trust Fund (SAGCOT CTF)	Fund	Unqualified	Unqualified	Unqualified
181	Tanzania Forest Fund (TaFF)	Fund	Unqualified	Unqualified	Unqualified
182	Tanzania Wildlife Protection Fund (TWPF)	Fund	Unqualified	Unqualified	Unqualified
183	Women Development Fund (WDF)	Fund	Unqualified	Unqualified	Unqualified
184	Internal Drainage Basin Water Board	BWB	Unqualified	Unqualified	Unqualified
185	Lake Nyasa Basin Water Board	BWB	Unqualified	Unqualified	Unqualified
186	Lake Rukwa Basin Water Board	BWB	Unqualified	Unqualified	Unqualified
187	Lake Tanganyika Basin Water Board	BWB	Unqualified	Unqualified	Unqualified
188	Lake Victoria Basin Water Board	BWB	Unqualified	Unqualified	Unqualified
189	Pangani Basin Water Board	BWB	Unqualified	Unqualified	Unqualified
190	Rufiji Basin Water Board	BWB	Unqualified	Unqualified	Unqualified
191	Ruvuma Basin and Southern Coast Water Board	BWB	Unqualified	Unqualified	Unqualified
192	Wami/Ruvu Basin Water Board	BWB	Unqualified	Unqualified	Unqualified
193	Bunda Water Supply and Sanitation Authority (BUWSSA)	NWSSA	Unqualified	Not existed	Not existed
194	Ifakara Urban Water Supply and Sanitation Authority	NWSSA	-	Not existed	Not existed
195	Handeni Water Supply and Sanitation	NWSSA	Unqualified	Not existed	Not existed
196	Handeni Trunk Main Water Supply and Sanitation (HTM)	NWSSA	Unqualified	Unqualified	Unqualified

SN	Name	Category	2020/21	2019/20	2018/19
197	Igunga Water Supply and Sanitation Authority (IGUWASA)	NWSSA	Unqualified	Not existed	Not existed
198	Katesh Town Water Supply and Sanitation Authority	NWSSA	Unqualified	Not existed	Not existed
199	Kibaigwa Water Supply and Sanitation Authority	NWSSA	Unqualified	Not existed	Not existed
200	Mafinga Urban Water Supply and Sanitation Authority	NWSSA	Unqualified	Unqualified	Not audited
201	Makonde Plateau Water Supply and Sanitation Authority	NWSSA	Unqualified	Unqualified	Unqualified
202	Maswa Urban Water Supply and Sanitation Authority	NWSSA	Unqualified	Unqualified	Unqualified
203	Mugango/Kiabakari/Butiama Water Supply and Sanitation Authority	NWSSA	Unqualified	Unqualified	Unqualified
204	Mpwapwa Water Supply and Sanitation Authority	NWSSA	Unqualified	Not existed	Not existed
205	Mugumu Water Supply and Sanitation Authority	NWSSA	Unqualified	Not existed	Not existed
206	Orkesumet Water Supply and Sanitation Authority	NWSSA	Unqualified	Not existed	Not existed
207	Ruangwa Water Supply and Sanitation Authority	NWSSA	Unqualified	Not existed	Not existed
208	Sengerema Water Supply and Sanitation Authority (SEUWASA)	NWSSA	Unqualified	Not existed	Not existed
209	Tarime Urban Water Supply and Sanitation Authority	NWSSA	Unqualified	Not existed	Not existed
210	Tunduma Water Supply and Sanitation Authority (TDMWSSA)	NWSSA	-	Not existed	Not existed
211	Tunduru Urban Water Supply and Sanitation Authority	NWSSA	-	Not existed	Not existed
212	Wanging'ombe Water Supply and Sanitation Authority	NWSSA	Unqualified	Unqualified	Unqualified
213	Amana Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
214	Bombo-Tanga Regional Referral hospital	RRH	Unqualified	Unqualified	Unqualified
215	Bukoba Regional Referral Hospital	RRH	Unqualified	Unqualified	Qualified
216	Dodoma Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
217	Geita Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
218	Iringa Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified

SN	Name	Category	2020/21	2019/20	2018/19
219	Katavi Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
220	Ligula-Mtwara Regional Referral Hospital	RRH	Unqualified	Unqualified	Qualified
221	Manyara Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
222	Maweni-Kigoma Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
223	Mawenzi-Kilimanjaro Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
224	Mbeya Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
225	Morogoro Regional Referral Hospital	RRH	Unqualified	Adverse	Unqualified
226	Mount Meru Regional Referral Hospital	RRH	Unqualified	Unqualified	Qualified
227	Musoma- Mara Regional Referral Hospital	RRH	Unqualified	Unqualified	Qualified
228	Mwananyamala Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
229	Njombe Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
230	SekouToure Mwanza Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
231	Shinyanga Regional Referral Hospital	RRH	Unqualified	Qualified	Unqualified
232	Simiyu Regional Referral Hospital	RRH	Unqualified	Unqualified	Qualified
233	Singida Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
234	Sokoine-Lindi Regional Referral Hospital	RRH	Unqualified	Unqualified	Qualified
235	Songea Ruvuma Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
236	Songwe Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
237	Sumbawanga Rukwa Regional Referral Hospital	RRH	Unqualified	Qualified	Unqualified
238	Tabora Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
239	Temeke Regional Referral Hospital	RRH	Unqualified	Qualified	Unqualified
240	Tumbi- Kibaha Regional Referral Hospital	RRH	Unqualified	Unqualified	Unqualified
241	Chato Zonal Referral Hospital	ZRH	Unqualified	Not existed	Not existed
242	Mbeya Zonal Referral Hospital	ZRH	Unqualified	Unqualified	Audited under MOHCDGEC (Vote 52)
243	Benjamin Mkapa Hospital	SH	Unqualified	Unqualified	Not audited

SN	Name	Category	2020/21	2019/20	2018/19
244	Kibong'oto Infectious Diseases Hospital	SH	Unqualified	Unqualified	Not audited
245	Mirembe Hospital & Isanga Institution	SH	Unqualified	Unqualified	Not audited
246	ACT WAZALENDO	PP	Unqualified	Unqualified	Unqualified
247	African Democratic Alliance (ADA-TADEA)	PP	Unqualified	Disclaimer	Disclaimer
248	Alliance For African Farmers Party (AAFP)	PP	Disclaimer	Disclaimer	Disclaimer
249	Alliance for Democratic Change (ADC)	PP	Adverse	Disclaimer	Disclaimer
250	Chama cha Demokrasia na Maendeleo (CHADEMA)	PP	Unqualified	Unqualified	Unqualified
251	Chama Cha Kijamii (CCK)	PP	Unqualified	Qualified	Qualified
252	Chama Cha Mapinduzi (CCM)	PP	Unqualified	Unqualified	Unqualified
253	Chama cha Sauti ya Umma (SAU)	PP	Qualified	Disclaimer	Disclaimer
254	Chama Cha Ukombozi wa Umma (CHAUMMA)	PP	Adverse	Not prepare FS	Disclaimer
255	Civic United Front (CUF)	PP	Qualified	Qualified	Adverse
256	Demokrasia Makini	PP	Disclaimer	Disclaimer	Disclaimer
257	Democratic Party (DP)	PP	Unqualified	Not prepare FS	Disclaimer
258	National League for Democracy (NLD)	PP	Unqualified	Qualified	Adverse
259	National Reconstruction Alliance (NRA)	PP	Unqualified	Disclaimer	Disclaimer
260	NCCR- MAGEUZI	PP	Unqualified	Unqualified	Adverse
261	Tanzania Labour Party (TLP)	PP	Adverse	Disclaimer	Disclaimer
262	United Democratic Party (UDP)	PP	Qualified	Qualified	Disclaimer
263	Union for Multi-Party Democracy (UMD)	PP	Adverse	Disclaimer	Disclaimer
264	United Peoples' Democratic Party (UPDP)	PP	Unqualified	Disclaimer	Disclaimer
265	African Peer Review Mechanism (APRM)	OI	Unqualified	Unqualified	Unqualified
266	Association of Local Authorities of Tanzania (ALAT)	OI	Qualified	Qualified	Not audited
267	Ardhi Institute Morogoro	OI	Unqualified	Unqualified	Qualified
268	Ardhi Institute Tabora (ARITA)	OI	Unqualified	Unqualified	Not existed
269	Bee Keeping Training Institute (BTI)	OI	Unqualified	Unqualified	Not existed
270	Community Based Conservation Training Centre (CBCTC)	OI	Unqualified	Unqualified	Not Audited
271	Deep See Fishing Authority	OI	Unqualified	Unqualified	Unqualified

SN	Name	Category	2020/21	2019/20	2018/19
272	Environmental Health Practitioners Council (EHPC)	OI	Unqualified	Unqualified	Qualified
273	Forest Industries Training Institute (FITI)	OI	Unqualified	Unqualified	Unqualified
274	Forestry Training Institute (FTI)	OI	Unqualified	Unqualified	Unqualified
275	Health Laboratory Practitioners Council	OI	Unqualified	Unqualified	Unqualified
276	Information and Communication Technologies Commission (ICTC)	OI	Unqualified	Not existed	Not existed
277	Institute of Judicial Administration (IJA)	OI	Unqualified	Unqualified	Unqualified
278	Jitegemee JKT Secondary School	OI	Unqualified	Unqualified	Unqualified
279	Kawawa JKT Secondary School	OI	Unqualified	Unqualified	Unqualified
280	Law School of Tanzania	OI	Unqualified	Unqualified	Unqualified
281	Local Government Loans Board (LGLB)	OI	Unqualified	Unqualified	Unqualified
282	Local Government Training Institute (LGTI)	OI	Unqualified	Unqualified	Unqualified
283	Medical Council of Tanganyika (MCT)	OI	Adverse	Unqualified	Unqualified
284	Medical Radiology and Imaging Professional Council (MRIPC)	OI	Unqualified	Unqualified	Unqualified
285	Mining Commission	OI	Unqualified	Unqualified	Unqualified
286	Ministry of Foreign Affairs and East African Cooperation Zanzibar Department (SV 1003)	OI	Unqualified	Unqualified	Unqualified
287	Mzinga Corporation	OI	Unqualified	Unqualified	Qualified
288	Mzinga Holding Company Ltd	OI	Unqualified	Unqualified	Qualified
289	National Identification Authority (NIDA)	OI	Unqualified	Unqualified	Unqualified
290	National Information Communication Technology Broadband Backbone	OI	Unqualified	Not existed	Not existed
291	Nelson Mandela African Institution of Science and Technology (NM-AIST)	OI	Unqualified	Unqualified	Unqualified
292	Optometry Council	OI	Unqualified	Unqualified	Unqualified
293	Pasiansi Wildlife Training Institute (PWTI)	OI	Unqualified	Unqualified	Unqualified
294	Pharmacy Council	OI	Unqualified	Unqualified	Unqualified
295	Prisons Corporation Sole	OI	Unqualified	Unqualified	Unqualified
296	Private Health Laboratories Board (PHLB)	OI	Unqualified	Unqualified	Unqualified

SN	Name	Category	2020/21	2019/20	2018/19
297	Private Hospital Advisory Board (PHAB)	OI	Unqualified	Unqualified	Unqualified
298	Property and Business Formalization Program (MKURABITA)	OI	Unqualified	Unqualified	Unqualified
299	Rural Energy Agency and Fund	OI	Unqualified	Unqualified	Unqualified
300	RUWASA-DS	OI	Unqualified	Unqualified	Unqualified
301	SUMA JKT - Agrimachinery Project	OI	Unqualified	Unqualified	Unqualified
302	SUMA JKT- Agricultural and Industrial Segment	OI	Unqualified	Unqualified	Unqualified
303	SUMA JKT Auction Mart Company Limited	OI	Unqualified	Not existed	Not existed
304	SUMA JKT Bottling Company Limited	OI	Unqualified	Not existed	Not existed
305	SUMA JKT Catering Service Company Limited	OI	Unqualified	Not existed	Not existed
306	SUMA JKT Chang'ombe Furniture Company limited	OI	Unqualified	Not existed	Not existed
307	SUMA JKT Cleaning and Fumigation Company Limited	OI	Unqualified	Not existed	Not existed
308	SUMA JKT Construction Company Limited	OI	Unqualified	Unqualified	Unqualified
309	National Service Corporation Sole (SUMA JKT Consolidation)	OI	Unqualified	Unqualified	Unqualified
310	SUMAJKT Garments Company Limited	OI	Unqualified	Not existed	Not existed
311	SUMA JKT - Guard Ltd	OI	Unqualified	Unqualified	Unqualified
312	SUMA JKT Headquarter	OI	Unqualified	Unqualified	Unqualified
313	SUMAJKT Port Service Co Ltd	OI	Unqualified	Not existed	Not existed
314	Tanzania Agricultural Research Institute (TARI)	OI	Unqualified	Unqualified	Not existed
315	Tanzania Automotive Technology Centre (TATC)	OI	Unqualified	Unqualified	Unqualified
316	Tanzania Film Board (TFB)	OI	Unqualified	Unqualified	Unqualified
317	Tanzania Gemmological Centre (TGC)	OI	Unqualified	Unqualified	Unqualified
318	Tanzania Livestock Research Institute (TALIRI)	OI	Unqualified	Unqualified	Unqualified
319	Tanzania Nursing and Midwifery Council (TNMC)	OI	Unqualified	Unqualified	Unqualified
320	Tanzania Official Seed Certification Institute (TOSCI)	OI	Unqualified	Unqualified	Unqualified
321	Tanzania Police Force Corporation Sole (TPFCS)	OI	Unqualified	Unqualified	Qualified

SN	Name	Category	2020/21	2019/20	2018/19
322	Tanzania Wildlife Management Authority	OI	Unqualified	Unqualified	Unqualified
323	Tengeru Institute of Community Development (TICD)	OI	Unqualified	Unqualified	Qualified
324	Town Planners Registration Board	OI	Unqualified	Unqualified	Unqualified
325	Traditional and Alternative Health Practice Council (TAHPC)	OI	Unqualified	Unqualified	Unqualified
326	Uongozi Institute (Institute of African Leadership for Sustainable Development)	OI	Unqualified	Unqualified	Unqualified
327	Valuers Registration Board	OI	Unqualified	Not existed	Not existed
328	Veterinary Council of Tanzania (VCT)	OI	Unqualified	Unqualified	Unqualified
329	Consolidated Financial Statements	CF	Qualified	Qualified	Qualified
330	TRA - Expenditure	TRA	Unqualified	Unqualified	Unqualified
331	TRA - Revenue	TRA	Unqualified	Unqualified	Unqualified

Appendix II: Entities and Their Basis for Qualified Opinion

1. Consolidated Financial Statements

a) Overstatement of Expenses by TZS 302.8 billion due to non-Elimination of qualifying items TZS 302.8billion

My review of Consolidated Statement of Financial Performance (CFS) and elimination analysis (Note 13) for the year ended 30 June 2021 noted finance included a total of TZS 302,814,249,200 (Special bonds TZS 91,079,787,000, Overdraft TZS 13,985,739,000, Liquidity management cost TZS 13,487,053,000, Government stock TZS 21,217,513,598 and Government bond TZS 163,044,156,602) as finance cost incurred during the financial year. Am of the opinion that the mentioned expenses were income to the Central Bank during the period as such were supposed to be eliminated as inter entity transaction during preparation of the CFS as required by Para 40(c) of IPSAS 35. Non elimination has resulted to overstatement of reported finance costs in the CFS by TZS 302,814,249,200.

b) Overstatement of Assets by TZS 1,747 billion due to Non-Elimination of Qualifying Items

My review of the Consolidated Statement of Financial Position as at 30 June 2021, elimination analysis (Note 13) and 152 out of 532 individual financial statements noted inter entity transactions worth TZS 1,747,391,374,000 traced from individual financial statements pertaining to receivables, prepayments, loan receivable and other financial assets that were supposed to be eliminated in Consolidated Financial Statements were not eliminated contrary to Para 40(c) of IPSAS 35. Non elimination has resulted to overstatement of reported Assets in the CFS by TZS 302,814,249,200.

c) Unadjusted figure of investment in associates TZS 750 billion

My review of Investments in Associates and Joint Ventures noted that, out of the reported figure of TZS 2,171,093,698,000 in the Consolidated Statement of Financial Position, eighteen (18) entities with a total value of TZS 750,104,898,000 have been recognized and consolidated while having different reporting dates as compared to dates of the Consolidated Financial statements for the year ended 30 June 2021 contrary to para 36 of IPSAS 36.

2. Chama cha Sauti ya Umma (SAU)

- a) The financial statements were not prepared in accordance to the requirement of International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting which would have been the basis of evaluation. Management of SAU did not maintain adequate books of accounts and necessary records of income and expenditures thus, my access to the Party's full information was limited. Therefore, I was unable to ascertain the accuracy and fairness of the information presented in the financial statements.
- b) There is no Commentary Notes on the Financial Statements which summarize the financial information between the prior and current year information.
- c) There is no comparative figures for the financial components of the year 2019/20.
- d) Financial Statements has not been supported by Property Plant and Equipment Schedule showing movement of assets, assets acquired and depreciation charge.
- e) There is no Statement of Change of Net Assets contrary to requirement of IPSAS 1.
- f) Non preparation of reconciliation for Net Cash flow from Operating Activities to surplus/ (deficit) as required by IPSAS 3.
- g) Missing statement of reconciliation cash flow and Budget as per requirement of accounting circular no.No.7 of 2021 on the preparation of financial report and closure of financial year ended 30 June 2021.

3. United Democratic Party (UDP)

- a) My review of the UDP statement of changes of Net Asset/Equity noted that the statement includes elements that were not part of the statement, such as cash and cash equivalent figure, non-current asset and creditors instead of inclusion of accumulated retained earnings and Surplus/Deficit obtained during the year.
- b) Audit test made on the receipt books noted that UDP received a total Income of TZS 281,861,000 being member's contribution for election expenses and allocated the collected amount in various expenditures without being banked, contrary to Sect. 15 (1) of The Political Parties Act, 1992 (Amended 2019).

4. Civic United Front (CUF)

a) Overstatement of Revenue

Statement of financial performance reported receipts of TZS 655,575,203 as from other Cash and Cash equivalent. My scrutiny of Bank statements I noted that, this is the amount of cash on hand and balances with bank but are not part of revenue hence total revenue was overstated by the same amount.

b) Overstatement of Depreciation

As at 30 June, 2021 the statement of financial performance disclosed depreciation of expenses TZS 49,898,662 for Property, Plant and Equipment. The amount includes a depreciation expense of Land TZS 15,756,661 which do not depreciate. Hence figure of depreciation expense was overstated by TZS 15,756,661.

c) Overstatement of Cash received and Net cash flows from operating

Cash flow from operating activities receipts side included TZS 655,575,203 other cash and cash equivalent which consist of cash on hand and balances with banks but are not part of receipts, consequently net cash flows from operating activities have been overstated by the same amount.

d) Overstatement of expenses in the Cash flows Statement

The Cash flow statement had reported depreciation expenses of TZS 49,898,662 in the payment side while this is a none cash items, hence the expenses in the Cash flows statement is overstated by the same amount.

e) Overstatement of Cash from Investing Activities

Cash flow statement for the year ended 30 June, 2021 disclose adjustments of TZS 935,822,345 source of adjustment was not justified, consequently misstatements by the same amount.

f) Misstatement of net increase/decrease in cash and cash equivalent

The Cash flow statement disclose net increase of TZS 890,035,850 Mainland and decrease of (TZS 114,397,627) for Zanzibar resulting into total TZS 936,447,067 whereas the actual total would have been TZS 775,638,223 but the management reported total of TZS 936,447,067 leading to misstatement of TZS 160,808,844.

5. Association of Local Authorities of Tanzania (ALAT)

Management did not maintain records and documentation thus my access to full information of the Association's financial information was limited. Therefore, I was unable to satisfy myself by alternative means concerning the accuracy of expenditures amounting to TZS 30,546,650 for financial year 2020/21 due to lack of supporting documents to substantiate validity and genuineness of the transactions.

Appendix III: Entities and Their Bases for Adverse Opinion

1. Alliance for Democratic Change (ADC)

a) Understatement of payables by TZS 5,724,500

My review of the statement of financial position noted that during the financial year 2019/20 ADC Party reported payables of TZS 5,724,500, however during the financial year 2020/21 (under note 4), liabilities of TZS 5,724,500 were omitted without justification of such omission.

b) Payments made without appropriate supporting documents TZS 5,715,000

During the audit, I found payment amounting to TZS 5,715,000 made to various beneficiaries without appropriate supporting documents therefore I could not ascertain their authenticity.

2. Chama Cha Ukombozi wa Umma (CHAUMMA)

- a) Review made in the presented financial statement for the year ended 30 June, 2021 revealed that the statement of changes in net assets/ equity for the period, Cash flow statements, statement of budget and actual amount, Notes, comprising significant accounting policies and other explanatory information were not presented with the submitted financial statements contrary to IPSAS 1:21
- b) Reported donation, grant and contributions in the statement of Income and Expenditure is TZS 125,063,073 while casting made in the receipt book with serial numbers 01 to 05 dated 2 July, 2020 to 27 March, 2021 noted a total collection amounting TZS 125,263,173, hence understated revenue by TZS 200,100.
- c) Presented balances in the Statement of Financial Position and Statement of Income and Expenditure for the year ended 30 June, 2021 were not supported with General ledgers, notes and other explanatory information. Hence the correctness of the reported balances were not ascertained.
- d) Presented balances in the statement of financial position amounting TZS 17,741,768 including Property, plant and equipment TZS 8,574,532, Debtors and prepayments TZS 2,932,566, Bank and Cash TZS 3,234,670 and Investment TZS 3,000,000 were not supported with Registers, bank statement and investment certificate.

3. Tanzania Labour Party (TLP)

- a) Management of Tanzania Labour Party could not provide relevant supporting documents to authenticate the validity of the Creditors and Accruals-TZS 107,390,102, Total Equity- TZS (67,898,335) and Receivables- TZS 126,711 as reported in the financial statements.
- b) Mismatch reported identical transaction amounts in financial statements
There is a mismatch in Deficit between the amounts reported as line items in the statements of financial performance with corresponding transactions the statements of change in Net Assets/Equity, as follows:

- The deficit for the year 2019/20 was reported at TZS 3,480,767 in the statement of Changes in net asset while the same was reported at TZS 1,480,767 in the statement of financial performance.
- The deficit for the year 2020/21 was reported at TZS 1,480,767 in the statement of changes in net assets while the same was reported at TZS 2,399,966 in the statement of financial performance.

4. Union for Multi-Party Democracy (UMD)

- As at 30 June, 2021 the Party disclosed Property Plant and Equipment worth TZS 938,751 in the statement of financial position for year 2020/21 with TZS 1 as comparable figure for the year 2019/20, this means that the reported figure was acquired Assets during the year. The acquired Assets amount were not reflected in the Cash flow statement for the year 2020/21.
- As at 30 June, 2021 the statement of financial position disclosed Payable of TZS 780,149 however this amount was not reflected in the Statement of financial performance, since the reported amount of expenses during the year was only TZS 1,950,659 which was paid in full leaving a balance of TZS 179,341 as surplus from revenue of TZS 2,130,000 recognised during the year.
- As at 30 June, 2021 the Statement of Financial Position disclosed Accumulated Surplus worth TZS 179,341 but ignored loss from prior years TZS 5,500 2019/20.
- As at 30 June, 2021 the Cash flows statement it disclosed, TZS 2,130,000 as receipts during the year, of which TZS 1,950,659 was utilized leaving a balance of TZS 179,341 as a net cash flow from operating activities. Since there was opening balance of TZS 98,100 expected closing balance was TZS 277,441 but reported closing balance is 124,340 resulting into under reporting of Cash and Cash equivalent by TZS 153,101.

The financial statements do not disclose the applicable Financial Reporting Framework, including significant accounting policies as basis for preparation, notes and supporting schedules contrary to Regulation 7(i) of the Political Parties (Financial Accounting) Regulations, 2019.

5. Medical Council of Tanganyika (MCT)

- The recovery of loaned amount not reported in the cash flow statement TZS 75,776,000**

My review of statement of financial position as at 30 June, 2021 noted that, amount of TZS 75,776,000 has been reported as prior year receivables relating to loan to Ministry of Health, Community Development, Gender, Elderly and Children under note 13 which has moved to zero, implying that all prior year loaned amount was recovered. However the recovered loaned amount of TZS 75,776,000 was not reported in the cash flow statement. I was also not provided with recovery particulars of the aforementioned loaned amount of TZS 75,776,000.

b) Overstatement of reported revenue collected in TZS collection account TZS 1,026,547,394.84

My review of statement of financial performance for the year ended 30 June, 2021 noted that amount of TZS 3,190,426,740.73 has been reported as revenue from exchange transaction under note 6. Out of reported total revenue collection amount of TZS 2,815,878,394.84 relates to revenue collected in TZS collection account. However, my review of revenue cash book generated from the system noted that, amount of TZS 1,789,331,000.00 relates to revenue which was collected during the year under review resulting into overstatement of the reported figure by TZS 1,026,547,394.84.

c) Collected previous debts not reflected in the prior year statement of financial position TZS 1,312,150,000

My review of the statement of financial position as at 30 June, 2021 noted that, amount of TZS 75,776,000.00 has been reported as prior year receivable under note 13 which relates to loan advances to the Ministry of Health, Community Development, Gender, Elderly and Children. However further review of revenue cash book generated from the system noted that, amount of TZS 1,312,150,000 relates revenue collected emanated from previous debts but the same were not reflected in the prior year statement of financial position as receivables hence the reported prior year receivables were understated by the same amount.

d) Uncollected Registration and Practicing License fees not Recognized in the Financial Statements TZS 1,720,170,000

As at 30 June 2021, Medical Council Tanganyika (MCT) failed to collect registration and practicing license fees amounting to TZS 1,720,170,000 from registered practitioners, however the same were not reflected in the statement of financial position and statement of financial performance as receivables and revenue respectively. Further the aforementioned uncollected revenue which was supposed to be reported as outstanding receivables is missing aging analysis hence, I could not establish how long did the uncollected revenue remain outstanding.

e) Overstated figure of cash and cash equivalent by TZS 48,198,520.26

My review of Statement of Financial Position as at 30 June, 2021 noted that, amount of TZS 2,227,033,032.34 has been reported as cash and cash equivalent under note 12, of which TZS 51,612,000.00 relates to cash and cash equivalent at revenue collection Dollar Account. However, my review of cash book, bank statement and transfer particulars of revenue collected to BOT in the aforementioned revenue collection account noted that, as at 30 June, 2021 amount of TZS 374,548,345.89 was collected as shown under note 6 while amount of TZS 371,134,866.15 was transferred to BOT implying that, amount of TZS 3,413,479.74 was supposed to be reported as cash and cash equivalent. Therefore, the reported figure of cash and cash equivalent has been overstated by TZS 48,198,520.26.

f) Payments to training not evidenced to be attended TZS 104,060,000

During the audit, I noted that MCT made payments amounting to TZS 104,060,000 for training in TIA Mbeya and Tanga; however, on reviewing payment vouchers and its supporting documents I noted that the participants did not attend the training as there was no acknowledgement receipts from respective institutions and certificates for attendance were not submitted for audit verification despite of being requested.

Appendix IV: Entities and Their Basis for Disclaimer of Opinion

1. Alliance For African Farmers Party (AAFP)

The submitted financial statements were not prepared in accordance with IPSAS Accrual, which could be the basis for evaluation as only income and expenditure statement for the year ended 30 June 2021 was submitted contrary to Regulation 3 (1&2) of the Political Parties (Financial Accounting) Regulation, 2019, which requires every Political Party to prepare financial Statement in accordance with IPSASs accrual basis of accounting.

2. Demokrasia Makini

The submitted financial statements were not prepared in accordance with IPSAS Accrual, which could be the basis for evaluation as only Statement of Cash Receipts and Payments, Notes to the Financial Statements and Asset Register for the year ended 30th June 2021 were submitted, contrary to Regulation 3(1&2) of the Political Parties (Financial Accounting) Regulation, 2019 which requires every Political Party to prepare financial statements in accordance with IPSAs accrual basis of accounting.

Hence my review was limited to audit information of assets, liabilities and net assets of the Demokrasia Makini, which could have been presented in the statement of financial position and statement of change in net assets as required on accrual basis of financial reporting.

Appendix V: Entities with Non-compliance with Public Procurement Act and its Regulations issues

SN	Name	Category
1	Teachers Service Commission	2
2	National Land Use and Planning Commission	3
3	President's Office - Records and Archives Management Department (PO-RAMD)	4
4	Financial Intelligence Unit (FIU)	13
5	Fire and Rescue Force	14
6	Commission for Mediation and Arbitration (CMA)	15
7	UNESCO National Commission	18
8	Treasury Department	21
9	Accountant General's Department	23
10	Vice President - Private Office	26
11	Tanzania Police Force	28
12	Prisons Service Department	29
13	President's Office Ethics Secretariat	33

SN	Name	Category
14	Ministry of Foreign Affairs and East African Cooperation	34
15	Prime Minister's Office	37
16	Tanzania Peoples Defence Forces (TPDF)	38
17	National Service Force (JKT)	39
18	Judiciary of Tanzania	40
19	National Assembly	42
20	Ministry of Agriculture	43
21	Ministry of Industry and Trade (Vote 44)	44
22	Ministry of Education, Science and Technology	46
23	Ministry of Lands, Housing and Human Settlements Development	48
24	Ministry of Finance and Planning	50
25	Ministry of Home Affairs	51
26	Ministry of Health, Community Development, Gender Elders and Children (Vote 52)	52
27	PO - Regional Administration and Local Government	56
28	Ministry of Defence and National Service	57
29	Law Reform Commission of Tanzania	59
30	Ministry of Industry and Trade (Vote 60)	60
31	National Electoral Commission (NEC)	61
32	Ministry of Works, Transport and Communication- Transport Sector(Vote 62)	62
33	Ministry of Livestock and Fisheries (Fisheries Sector)	64
34	Prime Minister's Office - Labour, Youth, Employment and Persons with Disability	65
35	Ministry of Works, Transport & Communications- Communication Sector	68
36	Ministry of Natural Resources and Tourism	69
37	Drugs Control and Enforcement Authority	91
38	Tanzania Commission for AIDS (TACAIDS)	92
39	President's Office Public Service Commission	94
40	Ministry of Information, Youth, Culture and Sports	96
41	Ministry of Livestock & Fisheries (Livestock)	99
42	Katavi Regional Secretariat	36
43	Simiyu Regional Secretariat	47
44	Njombe Regional Secretariat	54
45	Geita Regional Secretariat	63
46	Arusha Regional Secretariat	70
47	Pwani Regional Secretariat	71
48	Dodoma Regional Secretariat	72
49	Iringa Regional Secretariat	73
50	Kigoma Regional Secretariat	74
51	Kilimanjaro Regional Secretariat	75
52	Mara Regional Secretariat	77
53	Mbeya Regional Secretariat	78
54	Morogoro Regional Secretariat	79
55	Mwanza Regional Secretariat	81
56	Ruvuma Regional Secretariat	82

SN	Name	Category
57	Shinyanga Regional Secretariat	83
58	Singida Regional Secretariat	84
59	Tanga Regional Secretariat	86
60	Rukwa Regional Secretariat	89
61	Songwe Regional Secretariat	90
62	Tanzanian Embassy in Addis Ababa, Ethiopia	2001
63	Tanzanian Embassy in Maputo, Mozambique	2008
64	High Commission of Tanzania - Ottawa, Canada	2012
65	Tanzanian Embassy in Tokyo, Japan	2017
66	Tanzanian Embassy in Kampala, Uganda	2021
67	High Commission of Tanzania - Harare, Zimbabwe	2022
68	Tanzanian High Commission in Kigali, Rwanda	2026
69	Tanzanian Embassy in Abu Dhabi, United Arab Emirates	2027
70	Tanzanian Embassy in Bujumbura, Burundi	2028
71	Tanzanian Embassy in Muscat, Oman	2029
72	Tanzanian Embassy in Brasillia, Brazil	2031
73	Tanzania Embassy-The Hague	2033
74	Tanzanian Embassy in Doha	2041
75	Tanzania Embassy in Havana -Cuba	2042
76	Agency for Development of Education Management (ADEM)	Agency
77	Agriculture Seeds Agency (ASA)	Agency
78	Business Registration and Licensing Agency (BRELA)	Agency
79	Government Chemist Laboratory Authority	Agency
80	Government Procurement Service Agency (GPSA)	Agency
81	Livestock Training Agency (LITA)	Agency
82	National College of Tourism	Agency
83	National Food Reserve Agency (NFRA)	Agency
84	Occupational Safety and Health Agency (OSHA)	Agency
85	Registration Insolvency and Trusteeship Agency (RITA)	Agency
86	Rural Water Supply and Sanitation Agency (RUWASA)	Agency
87	Tanzania Airport Authority (TAA)	Agency
88	Tanzania Building Agency (TBA)	Agency
89	Tanzania Electrical, Mechanical and Services Agency (TEMESA)	Agency
90	Tanzania Institute of Accountancy (TIA)	Agency
91	Tanzania Meteorological Authority (TMA)	Agency
92	Tanzania National Road Agency (TANROADS)	Agency
93	Tanzania Veterinary Laboratory Agency (TVLA)	Agency
94	Tanzania Rural and Urban Roads Agency (TARURA)	Agency
95	Weights and Measures Agency (WMA)	Agency
96	Inspection and Supervision of Cooperatives Fund	Fund
97	Road Fund (PO-RALG)	Fund
98	Southern Agricultural Growth Corridor of Tanzania Catalytic Trust Fund (SAGCOT CTF)	Fund
99	Internal Drainage Basin Water Board	BWB
100	Lake Victoria Basin Water Board	BWB
101	Bunda Water Supply And Sanitation Authority (BUWSSA)	NWSSA
102	Igunga Water Supply and Sanitation Authority (IGUWASA)	NWSSA
103	Katesh Town Water Supply and Sanitation Authority	NWSSA

SN	Name	Category
104	Kibaigwa Water Supply and Sanitation Authority	NWSSA
105	Mafinga Urban Water Supply and Sanitation Authority	NWSSA
106	Maswa Urban Water Supply and Sanitation Authority	NWSSA
107	Mugango/Kiabakari/Butiama Water Supply and Sanitation Authority	NWSSA
108	Mpwapwa Water Supply and Sanitation Authority	NWSSA
109	Mugumu Water Supply and Sanitation Authority	NWSSA
110	Orkesumet Water Supply and Sanitation Authority	NWSSA
111	Ruangwa Water Supply and Sanitation Authority	NWSSA
112	Sengerema Water Supply and Sanitation Authority (SEUWASA)	NWSSA
113	Tarime Urban Water Supply and Sanitation Authority	NWSSA
114	Tunduma Water Supply and Sanitation Authority (TDMWSSA)	NWSSA
115	Amana Regional Referral Hospital	RRH
116	Bukoba Regional Referral Hospital	RRH
117	Dodoma Regional Referral Hospital	RRH
118	Geita Regional Referral Hospital	RRH
119	Iringa Regional Referral Hospital	RRH
120	Katavi Regional Referral Hospital	RRH
121	Ligula-Mtwara Regional Referral Hospital	RRH
122	Maweni-Kigoma Regional Referral Hospital	RRH
123	Mawenzi-Kilimanjaro Regional Referral Hospital	RRH
124	Mbeya Regional Referral Hospital	RRH
125	Morogoro Regional Referral Hospital	RRH
126	Mount Meru Regional Referral Hospital	RRH
127	Musoma- Mara Regional Referral Hospital	RRH
128	Mwananyamala Regional Referral Hospital	RRH
129	Njombe Regional Referral Hospital	RRH
130	SekouToure Mwanza Regional Referral Hospital	RRH
131	Shinyanga Regional Referral Hospital	RRH
132	Simiyu Regional Referral Hospital	RRH
133	Singida Regional Referral Hospital	RRH
134	Sokoine-Lindi Regional Referral Hospital	RRH
135	Songea Ruvuma Regional Referral Hospital	RRH
136	Songwe Regional Referral Hospital	RRH
137	Sumbawanga Rukwa Regional Referral Hospital	RRH
138	Tabora Regional Referral Hospital	RRH
139	Tanga Regional Referral Hospital	RRH
140	Temeke Regional Referral Hospital	RRH
141	Tumbi- Kibaha Regional Referral Hospital	RRH
142	Chato Zonal Referral Hospital	ZRH
143	Mbeya Zonal Referral Hospital	ZRH
144	Benjamin Mkapa Hospital	SH
145	Kibong'oto Infectious Diseases Hospital (Specialized)	SH
146	Mirembe Hospital & Isanga Institution (Specialized)	SH
147	Civic United Front (CUF)	PP
148	National League for Democracy (NLD)	PP
149	National Reconstruction Alliance (NRA)	PP
150	Ardhi Institute Morogoro	OI

SN	Name	Category
151	Community Based Conservation Training Centre (CBCTC)	OI
152	Deep See Fishing Authority	OI
153	Forest Industries Training Institute (FITI)	OI
154	Forestry Training Institute (FTI)	OI
155	Information and Communication Technologies Commission (ICTC)	OI
156	Kawawa JKT Secondary School	OI
157	Law School of Tanzania	OI
158	Rural Energy Agency	OI
159	Local Government Training Institute (LGTI)	OI
160	Medical Council of Tanganyika (MCT)	OI
161	Mining Commission	OI
162	Ministry of Foreign Affairs and East African Cooperation Zanzibar Department (SV 1003)	OI
163	Mzinga Corporation	OI
164	Mzinga Holding Company Ltd	OI
165	National Identification Authority (NIDA)	OI
166	Nelson Mandela African Institution of Science and Technology (NM-AIST)	OI
167	Optometry Council	OI
168	Pasiansi Wildlife Training Institute (PWTI)	OI
169	Prisons Corporation Sole	OI
170	Private Hospital Advisory Board (PHAB)	OI
171	RUWASA-DS	OI
172	SUMA JKT - Agrimachinery Project	OI
173	SUMA JKT Auction Mart Company Limited	OI
174	SUMA JKT Bottling Company Limited	OI
175	SUMA JKT Catering Service Company Limited	OI
176	SUMA JKT Cleaning and Fumigation Company Limited	OI
177	SUMA JKT - Guard Ltd	OI
178	SUMAJKT Port Service Co Ltd	OI
179	Tanzania Agricultural Research Institute (TARI)	OI
180	Tanzania Gemmological Centre (TGC)	OI
181	Tanzania Nursing and Midwifery Council (TNMC)	OI
182	Tanzania Police Force Corporation Sole (TPFCS)	OI
183	Town Planners Registration Board	OI
184	Valuers Registration Board	OI


Appendix VI: Implementation status of prior year audit recommendations (PMG)

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
1	2.3.1	Unclaimed Deposit Balances Not Remitted to Treasury TZS 1,608,692,098	I recommend the management of the respective Ministries to make use of the monies in deposit accounts; otherwise, the government should direct the funds to other projects.	Judiciary	The figure has been sorted out and we are in the process to remit that balance to Treasury	I emphasise the government to ensure that the unclaimed deposit is refunded to the Treasury and remittances advice submitted for my review.	Under implementation
2	2.3.2	Lack of GACS Integration Roadmap with MUSE and Other Government Financial Management Systems	I recommend the government to prioritise integration of GACS with MUSE and other government financial management systems and establish a joint team that will prepare and implement a clear roadmap for the integration process detailing milestones and deliverables.	ACGEN/DFISM	The government has been waiting for upgrading of systems to be successful, so that to be able to embark on the implementation exercise of integrating them. The previous integration exercise of systems was not up to standards that would allow the government to be in a position to draw a roadmap for integration of GACS, MUSE and other financial systems. Therefore, once the roadmap for upgrading is successful, the joint integration roadmap will be scheduled in	I insist on integration of GACS with MUSE and other government financial management systems.	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
3	2.3.3	Consolidation of Controlled Entities Financial Statements Lacking Ownership of the Respective Accounting Officers/Boards of Directors	I reiterate my previous year recommendation that the government to consolidate controlled entities' financial statements which are signed by respective Accounting Officers and Chairpersons of Board of Directors	ACGEN	<p>terms of the time frame and other resources.</p> <p>The management has noted Auditor's recommendation. Through Accounting Circular No. 6 of 2019/20, Accounting Officers were guided to engage their respective Ministry's Permanent Secretaries (in the absence of Governing Board) who by virtue of the amendment of the interpretation of Laws Act CAP 01 September 2019 has been empowered to assume the powers of the Governing Board, to sign the financial statements. The management will continue to follow up to Accounting Officers to ensure that the financial statements are signed before submission.</p>	I am waiting for the full implementation of my recommendation.	Under implementation
4	2.3.4	Unconfirmed in Elimination of Respect Receivables, Prepayments & Loan Receivables TZS 687.8 Billion	I recommend the government to establish effective mechanism for entity to report inter entity transactions and implement validation of reported figures in the system for effective elimination between intra governmental entities to ensure reporting of correct figures.	ACGEN	<p>The management will fully eliminate the receivables emanating from public entities to comply with IPSAS 35 Para 40 and Accounting Circular No.6 of 2019/2020.</p>	Government should establish an effective mechanism to report the inter-entity transactions and bring to me a confirmation	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
5	2.3.5	Non-Recognition of Significant Forest Plantations in CFS	I recommend the government to establish mechanism of forest plantation and accounted for in the consolidated financial statements in compliance with IPSAS so as to portray the realist value of the government plantation forest.	ACGEN/DGAM	The management is considering the best way of dealing with anomaly. It has been noted that the size of plantations is so huge that it becomes costly on the part of management to conduct the fair value valuation before the end of each reporting period as per the requirement of IPSAS.	of the TZS 687.8 Billion elimination I still insist on recognition of significant forest plantations in CFS in compliance with IPSAS	Not implemented
6	2.3.6	Non-Disclosure Notes of Adjustments or Reconciliation of Figures reported in Statement of Cash flows	I recommend the government to strengthen quality review mechanism to ensure that consolidated information is accurately reported in the consolidated financial statements in compliance with IPSAS and Accountant General Circular No. 6 of 2019/2020.	ACGEN	The disclosure notes will be presented in the Consolidated Financial Statement as it has been recommended by the Auditors.	I am emphasising the government to strengthen the quality review mechanism to ensure that financial information is correctly reported in CFS.	Under implementation
7	2.3.7	Non-Reconciliation of Reported Acquisitions of	I recommend the government to strengthen quality review mechanism to ensure that consolidated information is	ACGEN	The management is still on the project of improving GACS in order to be able to produce statements which are	I am emphasising the government	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
		Non-Current Assets in Cash Flow Statements Under Investing Activities with Monetary Addition TZS 635. 9 Billion	accurately reported in the consolidated financial statements in compliance with IPSAS requirement		consistent with other information contained in the system.	to strengthen the quality review mechanism to ensure that financial information is correctly reported in CFS moreover reconcile the reported TZS 635.9 billion non-current assets	
8	2.3.8	TBA Failure to Recover the Stolen Toyota Land Cruiser Hard Top with Registration No. STL 6516	I recommend that the respective Accounting Officers should (a) identify critical controls that are missing and strengthen them, and (b) ensure proper management of assets, including making close follow-up with the police and other investigative organs to recover the missing vehicle and take legal actions against the people involved. The government is further recommended to enhance controls on assets management by tracking assets, increasing the frequency of	Ministry of Works/TBA	TBA acknowledge that there was lack of a tracking car system to monitor TBA vehicle and that has already started the process of acquiring the same. The procurement process is on progress of engaging expert who can install car-tracking technology to TBA Vehicles to assess its proper management and avoid asset losses. On recovery of the missing vehicle, the management made close follow-ups with the respective Investigation Authority via	Still insisting on the government to put controls to avoid asset losses. In addition, I am emphasising on the current status of the missing	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
			physical verification of asset and reconcile between the actual physical assets and the recorded information to reduce the number of asset losses.	 Ministry of Works/TBA	letter with reference No. DB.302/494/15/18 dated 10th January, 2020, DB.302/494/15/22 dated 16 June, 2020, DB.302/494/15/23 dated 30 July, 2020 and DB.302/494/15/25 dated 24 August, 2020. Consequently, two suspects were interrogated on September 2020. The management is still communicating with the respective authority on finalisation of investigation process and on taking legal action thereof.	motor vehicle	
9	2.3.9	Inadequate Procedures for Confiscation of TBA Funds TZS 3,888,982,830 by TRA for Settlement of Tax Obligation of TZS 6,986,794,187	I recommend TBA's Accounting Officer to make follow up and request a final audit report from TRA and agree on validity, accuracy and completeness of the tax liability assessed. In addition to that intervention from the office of the Solicitor General can be reminded on the matter as the case was already filed but is still pending. Management should prioritise the matter to ensure this tax liabilities dispute is finalised.		TBA management requested in vain a final audit report from TRA via letters Ref. No. CA.494/504/01/56 dated 26th May, 2020 and CA.494/504/01/58 dated 29 May, 2020 as well as on joint meetings between the parties. However, the management on 18 May, 2020 informally managed to get the contents of the report and after thorough assessment, TBA is obliged to pay TZS 1,551,269,394.41 (Tax, interest and penalty) and not	I am waiting for the minutes of the negotiation meeting with the outcome of the case hearing.	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
10	2.3.10	Absence of Financial Guidelines and Accounting Manual to Govern Application of Accounting Policies	I recommend that the Accounting Officers for the respective entities should speed up the process of developing Accounting Manual/Guidelines in order to have effective management over public funds	ACGEN	<p>TZS 6,986,794,187 as imposed by TRA. Additionally, the Management reminded the Solicitor General via letter with Ref. No. CA.494/504/01/'A'/'9 dated 29 March, 2021 and that the negotiation meeting is yet to be called upon. The case is coming for hearing on 07 May, 2021.</p> <p>The Accounting manual has already been prepared and will soon be made available to Accounting officers.</p>	I am waiting for the implementation of the prepared accounting manual. Moreover, they should be submitted for my review.	Under implementation
11	2.3.11	General Information and Communications Technology (ICT) Environments	I recommend the Accounting Officers to prioritise on the establishment and use of IT Policy, ICT Strategic Plan, Business Continuity Plan and disaster recovery plan as well as formation of IT strategic plan	Ministry of Communication and Information Technology	<p>MCIT Internal ICT Policy was developed. Development of DRP is in progress and to be finalised June, 2021.</p> <p>Development of ICT Strategic Plan was awaiting finalisation of Ministry Strategic Plan that was finalised in March, 2021. Thus, ICT Strategic Plan will be developed in 2021/22 (Q1).</p>	Still emphasising the development and implementation of the ICT policy, ICT Strategic plan, Business	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
12	2.3.12	Ineffective Case Inventory Management System (CIMS) at Office of the Solicitor General	I recommend to the Accounting Officer to liaise with e-GA for improvement of the system to meet the demand and intended objective without further delay.	Solicitor General	<p>The Office of the Solicitor General in collaboration with eGA has made a remarkable improvement in the Case Inventory Management System (CIMS) So as to meet demand and intended Objective of the System as well as to comply with the auditor's recommendations. Currently the system among others has the following capabilities: The system has a window for reports, which can filter new cases, opened and closed cases during a certain specified period.</p> <p>The system is capable of showing the conclusion of judicial and quasi-judicial cases and the awards and judgments issued thereon. Even where the case was concluded with cost, we did not see the evidence of cost filled by the Office, cost</p>	continuity plan and IT strategic plan and submit a copy to me for verification.	Implemented

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
13	2.3.13	Unsatisfactory Progress in the Construction of Government Buildings in Dodoma Region - TZS 46,628,482,327.13	I recommend the government to assess the ability of TBA to manage and complete the construction projects vested upon the Agency and address challenges facing TBA such as lack of funding, building materials, equipment and adequate professionals can be addressed	Ministry of Works/TBA	<p>accepted and the amount paid thereon which would make good history of the case conclusion.</p> <p>The system does provide adequate filters example, we could not quickly retrieve the civil litigations opened by the Government/Institutions against third parties and awards thereon.</p> <p>The system can generate reports for closed or completed cases.</p> <p>The system can show the user who registers the case.</p> <p>TBA as a government agency vested with duties to manage government real estate, provision of consultancy services and construction of government buildings, has 419 professionals, modern equipment and approved organisation structure in July 2018 so as to undertake government projects effectively.</p> <p>However, TBA encounter two main challenges as to lack of seed money and under-staffed</p>	My audit recommendation is still outstanding for implementation	Not implemented

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
					<p>as has been addressed by the government here below:</p> <p>TBA through has requested the government through the Ministry of Works a seed money to help the execution and completion of Government projects</p> <p>The government has granted 3 recruitment permits for 2018/19 (60 vacancies), 2019/20 (93 vacancies) and in 2020/21 (100 vacancies) and await for Government directives to be implemented.</p> <p>c) TBA established concrete batching plants in Dar es Salaam and Dodoma, block making base camp and rehabilitation of zonal carpentry work shop in six regions in Tanzania mainland for the purpose increasing its ability to construct and complete projects at affordable cost to the government and serve time for execution. Nevertheless, progress in unsatisfactory regarding construction of government</p>		

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SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
					<p>Buildings in Dodoma Region - TZS 46,628,482,327.13 which encompasses three projects</p> <p>Tanroads project (30,130,732,932.07), Ethics project (9,889,059,815.40) and Tanesco (5,433,474,335.06). The main reason is due to unstable cash flow from Clients and the following payments certificates of total sum of TZS 2,829,646,130.87 have been submitted to respective Clients for payments via the following letters:</p> <p>i) BA.380/494/45/28 dated 04th January, 2021 to TANROADS requesting payments of TZS 1,175,555,082.95 ii) GC.148/109/87/44 dated 25th March, 2021 to Ethics Secretariat requesting payments of TZS 930,775,808.00 iii) BC.5/42/108/36 dated 12th April, 2021 to TANESCO requesting payments of TZS 723,315,239.92</p>		

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
14	2.2.14	Incomplete Transfer of Ownership of Former CDA Houses to TBA - TZS 54,697,668,000	I recommend TBA and the Dodoma City Council to ensure the transfer of ownership of the houses is completed so as to avoid potential risk of ownership disputes	Ministry of Works/TBA	The mentioned Certificates have not been paid by the Clients to date. TBA via letter with Ref. No. EA.226/416/07.A/215 dated 26 October, 2020 to Dodoma City Director requested for Certificate of Title for 141 plots and reminded via letter with ref. No. CA.129/356/02/109 dated 23 March, 2021. TBA awaits for handing over meeting which is scheduled on 12 May, 2021	I still emphasise the transfer of ownership from CDA to TBA to avoid ownership disputes.	Under implementation
15	2.3.15	Unbanked Ferry Collections Not in a Custody - TZS 81,194,650	I recommend the government to investigate revenue collections at Magogoni Ferry Station and take legal action against any misconduct observed. I also recommend TEMESA to strengthen internal control systems to ensure the robustness of the system in preventing fraudulent acts.	Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA)	Management accepts the audit observation and recommendation. TZS 42,144,00 out of the queried amount of TZS 81,194,650 has been banked. Relevant supporting documents have been verified by Auditors. The remaining balance of TZS 39,050,650 is under litigation involving a Cashier named Bakari Mhina. The matter was reported to Police (RB ref No. CD/IR/30/2020) and the case against him was filed in Ilala District Court as Criminal Case no 457/2020 pending court determination.	Emphasising on making follow-up on the police case for the remaining TZS 39,050,650	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
16	2.3.16	Fraudulent Withdrawal of Cash - TZS 201,008,694.79	I recommend the government organs to investigate revenue collections at Magogoni Ferry Station and take legal action against any misconduct observed. I also recommend TEMESA to strengthen internal control systems to ensure the robustness of the system in preventing fraudulent acts	Ministry of Works/TEMESA	Management concurs with Auditor's recommendation. The Agency is strengthening its internal control systems to ensure the robustness of the system in preventing fraudulent acts. However, the fraudulent withdrawal of TZS 201,008,694.79 is part of TZS 723,232,168 fraud which was suspected to have been committed at the Agency's bank by a Cashier Mr. Lecian Mgeta and not at Magogoni Ferry station as reported. Currently, the amount of TZS 723,232,168 has been refunded by the bank to the Agency's bank account. The matter was reported to Police CID Dodoma and registered with RB ref no. DOW/IR/7284/2020 which is still under police investigation	I am emphasising on follow-up on the CID Dodoma police case.	Under implementation
17	2.3.17	Ineffective Electronic Ticketing System at Magogoni Ferry Station -	I recommend TEMESA should assess the scanning system and ensure that the devices are operating at a maximum capacity in scanning the tickets issued to eliminate the risk of losing revenue	Ministry of Works/TEMESA	Management concurs with Auditor's observation. Greater efforts have been instituted on the scanning system to eliminate	Verifications on the efforts done will be verified	Implemented

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
		TZS 2,594,116,600			<p>the risk of losing revenue as follows: -</p> <p>More gates on both areas of two sides (Magogoni) and (Kigamboni) have been established for scanning tickets, especially during the pick hours.</p> <p>The waiting lounge has been improved by creating new enlarged space for customers. Use of SUMA JKT security guards for controlling passengers to follow procedure and queuing system. Installation of CCTV camera to monitor staffs assisting validation of the tickets.</p> <p>The Agency has introduced N card system during the month of December, 2020 whereby the passenger buys a card, recharges it, and uses it to validate and the toll permits the passenger to pass through. The new N-Card System performs simultaneously two important tasks of validation and ferry toll collection hence, overcome the current</p>		

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Controller and Auditor General

GR/CG/2020/21

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
18	2.3.18	Non-Deduction of Liquidated Damages for the contract of Upgrading the Makutano - Nyamuswa - Ikoma Gate Road (135km) to Bitumen Standard; Lot 1: Makutano - Natta (Sanzate) Section (50km) - TZS 5,459,428,648.81	In view of the above, I recommend TANROADS to recover liquidated damages amounting to TZS 5,459,428,648.81 from the contractor to compensate for the additional cost the government incurred from delaying this project. Also, I recommend TANROADS to enhance close supervision to the contractor to ensure the project is completed without further delays.	Tanzania National Roads Agency (TANROADS)	Contractor's Request for Extension of Time (EOT) is under review by the Employer. When the final decision is reached the liquidated damage, if any, will be deducted in line with relevant contract clauses. However, because EOT is under review; it was found necessary to make payments to the contractor for completed/certified works in accordance with Regulation 44(1) of the Public Procurement (Amendment) Act, 2016 TANROADS will enhance close supervision of contract execution to ensure that the project is completed without further delays.	TANROADS should ensure that TZS 5,459,428.648.81 is recovered from the contractor	Under implementation
19	2.3.19	Slow Progress of Undertaking the Consultancy Services on Hydrological	Therefore, I recommend TANROADS to adequately monitor the consultant to ensure the design phase is completed on time to facilitate the	Ministry of Works/TANRO ADS	The management wrote a final reminder letter to the Consultant to comply with TOR vide letter with reference No. TRD/HQ/11/468/01/VOL.3/	I am insisting on submitting the Final design and	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
		Study, Detailed Engineering and Design Preparation of Tender Documents for Flood Prevention Measures at Jangwani USD 905,123.95	government in budgeting and allocate the funds for the implementation of the permanent solution suggested in the area.		41/BIM.5580 dated 25 March 2021. Failure to comply with deadlines for deliverables, the management will be obliged to impose liquidated damage as per clause 7.6 of the TOR. Final Detailed Design Report will be submitted for audit verification immediately after Employer's approval.	Completion reports to me for audit verification	ment ation
20	2.3.20	Irregular reallocation of project funds - TZS 3,619,633,562	I recommend TANROADS should commit the budgeted funds allocated to their intended projects and follow proper procedures for obtaining approval if the need for reallocation of project funds arises.	Ministry of Works/TANROADS	Actually, this is not reallocation of funds but rather, it is borrowing of funds from one project to pay the other project, for justifiable reasons (including avoiding / reducing interest payable on delayed payments), in anticipation that the funds will eventually be refunded. In this particular case, the need to borrow funds from other projects to pay the contractor's outstanding certificates was prompted by the fact that the contractor was facing acute shortage of funds for execution of urgent works which could have, otherwise, been affected	I am emphasising on TANROADS to commit the budgeted funds allocated to their intended projects	Unde r imple ment ation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
21	2.3.21	Non-Reimbursement for the Cost of Food Provided to Tackle the Scourge of Famines and Disaster - TZS 167,376,994,882.48	I recommend that the Ministry of Finance and Planning should put in place a mechanism whereby the pertinent debt will be verified to determine its legitimacy and advise the government on the best way to ensure rendered services are settled timely to avoid accumulation of debts.	National Food Reserve Agency (NFRA)	<p>by anticipated adverse weather condition.</p> <p>We are still waiting for the refund of the TZS 3,619,633,562.00 which were requested vide our reminder letter Ref. DE.22/278/02/47 dated 14 April 2021. urgent works which could have, otherwise, been affected</p> <p>The debt has been verified by both Prime Minister's Office, refer to the letter with Ref. No. 2/CHA 161/380/01 dated 13 March, 2017 and CAG office through annual auditing from financial year 2007/2008 to 2019/2020. The relevant documents are available for Ministry of Finance and Planning verification.</p> <p>The NFRA management is advising the government through the Ministry of Finance and Planning to settle this debt that has remained outstanding for long period from financial year 2007/2008 to date. By doing so, the government will improve financial capacity of NFRA to procure more grain from farmers which will in turn</p>	I am emphasising on the reimbursement of the TZS 167,376,994,882.48 by PMO to NFRA	Not implemented

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
					<p>improves their livelihood and enable the Agency to maintain a national optimum level of food reserve for the Country. This will enable the Agency to attain national food security during the time of food shortages. This is coupled with increased storage capacity from 251,000 tons to 501,000 tones following the completion of storage capacity expansion project financed by Poland Government.</p> <p>In order to meet the requirement of Executive Agencies Act, 1997, NFRA Establishment Order, 2016 and ensure Sustainability of the Agency, the government is advised that food stock that will be released to PMO should be refunded by PMO at fully cost recovery and ensure timely settlement as recommended by the CAG.</p>		
22	2.3.22	Unpaid Claims to	I reiterate my previous year's recommendation that the government through the Ministry of Finance and Planning should	Ministry of Works/TBA	<p>(i) TBA</p> <p>TBA delaying to pay suppliers claims was attributed by</p>	I advise the government to settle the	Under implementation

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SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
		Contractors, Consultants and Suppliers - TZS 783,392,176,73 5.35	develop strategies/policies that will ensure outstanding debts are settled within the contractual timeframe. Also, the Government should emphasise the offsetting of the existing debts before entering into new commitments. to avoid the challenge of lack of building materials on construction sites that obstruct the construction activities.		unstable cash flow from the Client, for example payment certificates worth of TZS 2,829,646,130.87 have been submitted to respective clients (TANROADS, Ethics Secretariats and TANESCO) but to date not yet paid. The Government through the Ministry of Works and Transport was instructed TBA to stop construction activities for any project which the Client delay to pay the certified amount of the works done to avoid creating new debts to suppliers. (ii) TANROADS For the period covering 01 July 2020 to 31 March 2021, TANROADS received a total of TZS 291,408,583,960.86 being consolidated funds for settlements of claims of Contractors and Consultants who are executing development projects countrywide.	remaining amount to Contractors, Consultants and Suppliers - TZS 869,026,582,530.09	
			I further recommend that TBA should pay the suppliers on time				

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
23	2.3.23	Inadequate Management of Contract Securities TZS 35,145,710,896.75	I recommend that the Agencies should institute internal controls which would ensure adequate management of contract securities as well as to ensure terms and conditions of the contract are adhered to before paying advance to contractors/consultants.	Ministry of Works/TBA/TA NROADS	<p>However, due to the fact that new IPCs and Invoices are being raised as a result of continued execution of projects, the outstanding debts have increased to 869,026,582,530.09 as at 31st March 2021.</p> <p>(i) TANROADS The amount relates to some of the Contract Securities i.e. Performance Guarantees and Advance Payment Guarantees for maintenance contracts executed in the Regions. During the time of audit some of the securities were found to have expired. To date, all advance payments with respect to expired Advance Payment Guarantees have been fully recovered. Some of the Performance Guarantees have been renewed. It is also important to note that, respective contracts have been successfully completed.</p> <p>However, Auditor's recommendation is appreciated. We will strengthen our internal controls to ensure that terms</p>	I will verify the expired Contract Securities TZS 35,145,710,896.75	Overtaken by events

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
					<p>and conditions of the contract are adhered to before paying advance to contractors/consultants.</p> <p>(ii) TEMESA The management concurs with Auditors recommendation.</p> <p>The Agency has strengthened its internal controls for adequate management of contract securities as well as adhering to terms and conditions of contracts.</p> <p>(i) The Advance payment of TZS 153,000,000.00 has been recovered by instalment as follows:- IPC No.1 TZS 38,250,000, (ii) IPC No.2 TZS 22,950,000, and (iii) IPC No 3 TZS 38,250,000.</p> <p>The remaining balance of TZS 53,550,000 shall be deducted from Final Payment of TZS</p>		

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
24	2.3.24	Fault Electricity Poles Installed in Lindi Region - TZS 1,065,696,000	I recommend REA to investigate electricity poles installed by this contractor and instruct him to replace identified poles with defects. Also, I urge REA to investigate the process/procedures for factory acceptance test conducted to establish why it failed to detect the faulty electricity poles, and if the noted weakness are intentional then REA should institute appropriate action against the perpetrators	Ministry of Energy/Rural Energy Agency (REA)	<p>251,477,501.60 which includes 10% retention money amounting to TZS 9,109,499.50 deducted on IPC no 1 to 3.</p> <p>The project has been completed during the month of March, 2021 pending handing over report. The Passengers Lounge, Office, Ticket Booths, Toilets, Fence Parking and residential Houses for Staff at Kayenze and Bezi landing Ramps are in use.</p> <p>The Pre-commissioning inspection of 33kV MV lines conducted by a team of 23 Engineers from TANESCO, REA and Contractor M/s State Grid Electrical and Technical Works Limited and performed inspection/Verification for the scope of Works in Lindi regions from August to September 2020 in pursuant to section 24 of the contract. All the snags include 2,612 cracked poles (page 9 of the report) were detailed in that report of which the same observed by CAG</p>	I emphasise on the Agency to continue to follow up and ensure that the defect poles are rectified prior to the final payments of the contract	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
					<p>Auditors during site auditing.</p> <p>The provision provides that, the contractor shall rectify all snags (cracked poles) prior issuing of Operational Acceptance instructed vide letter with ref. No.</p> <p>LN/RM/REALIIIA/10/2020-01 dated 10 October 2020 and Letter with reference No. LN/RM/REA IIIA/09/2020-19 dated 21 January 2021 to rectify all snags include replacement of the cracked poles.</p> <p>In implementing the employer instruction, the contractor communicated to Manufacturer (based on Warrant Conditions) on the cracked poles M/s Qwihaya General Enterprises Company Limited for replacement of cracked poles vide a letter with Certificate and effecting final Payment (retention Monies)</p> <p>In exercising the contractual Obligation, the contractor was</p>		

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
25	2.3.25	Irregularities on Payments Made for Labour Charges - TZS 139,293,000	I recommend that TATC should correct the irregularities noted on the payment of labour charges and make follow up to prove the accountability of the said amount.	Tanzania Automotive Technology Centre	reference STG/QGICL/REAI/III/LOT 4/2021/001 dated 30 January 2021 and Tanzania Wattle Co. Limited (TANWAT) vide a letter with reference No. STG/TANWAT/REA-III/LOT4/2021/001 dated 30 January 2021. The Agency continue follow up and will ensure that the defect poles are rectified prior to the final payments of the contract or incase the contractor failed to rectify the snags the contract provide for Employer to take retention money from the contract and use it to replace the cracked poles Management concurs with auditors recommendation, Payment to unemployed personnel working in various projects will be paid to respective person. Management normally made payments to supervisor's win order to control funds allocated to the projects. Payments made to unemployed personnel working in various	Evidence for rectification of irregularities be submitted to me for verification	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
26	2.3.26	Irregularities Noted on Emergency Procurement of Legal Services Worth TZS 2,757,322,034	I recommend the Accounting Officer to obtain retrospective approval from the Paymaster General and in the future should abide to cited regulations whenever there is emergency procurement to be done.	The Office of Solicitor General (Vote 19)	projects has been started to be paid to respective persons. The letter with Ref. No. CBA. 313/510/24/17 dated 06 May 2021 has been submitted to Paymaster General requesting for Retrospective Approval of the emergency procurement of consultancy legal firm M/S Shakespeare Mertineau based in England at a contract sum of TZS 2,757,322,034 being cost for providing Legal representation services to the Government of United Republic of Tanzania	I still emphasise on obtaining retrospective approval from the Paymaster General and submitting the same for audit verification	Under implementation
27	2.3.27	Absence of Concession Agreement between Ministry of Works and NSRF for Collection Charges on the Use of Nyerere Bridge (Kigamboni)	I emphasise on the need of respective Authorities to liaise with the Attorney General to ensure that the matter is resolved.	Ministry of Works	The auditor's recommendation is taken Preparation of concession agreement is on final stages before signing by the end of June 2021.	I still insist on the need of respective Authorities to liaise with the Attorney General for the Concession Agreement	Under implementation
28	2.3.28	Procurement of Goods and Services Out of TANePS TZS 227,490,940	CAG recommendation I recommend that the Management of the Ministry should ensure that procurement process is undertaken by using		Management agrees with Auditor's recommendation. The Management has taken serious measure by providing in-house training to build internal capacity to the procurement	I am insisting on my recommendation, the verification on TANePS	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
29	2.3.29	Inadequate Supervision of Construction of Various Courts TZS 40,950,961,181	I recommend the Judiciary management to ensure all identified snags are rectified to heighten the life span of the constructed buildings and close follow up be exercised to minimise risks of potential snags on the on-going construction projects.	Judiciary	Correction of snags has a contractual remedy under Clause No.34.1 of General Condition of Contract. Users are obliged under Clause No.32.1 of GCC to report to the Project Manager "Consultant" all identified snags for being instructed to the contractor for rectification throughout the Defect Liability Period. All snags were communicated to contractors and they are at final stages of rectification before closing of the contract as responded by management.	will be done during my next audit.	Under implementation
29	2.3.30	Inadequately Supported Expenditure TZS 7,320,136,708 and Missing Payment Vouchers TZS 2,638,372,956	I recommend Accounting Officers concerned to continue strengthening internal controls on financial management systems to ensure all payments are sufficiently supported by the required documents. Also, actions to be taken against officers causing such deficiencies	ACGEN/ Tanzania Peoples Defence Forces - Vote 38/ Ministry of Health, Community Development, Gender, Elderly and Children -	Management agreed with Auditors recommendation. The management has traced all missing payment vouchers and supporting documents. The documents are available for Audit verifications. Management has	I am emphasising on submission of the missing and supporting documents	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
30	2.3.31	Failure of Tanzania Police Force to be Reimbursed TZS 24,160,690 from NHIF Due to Poor Documentation	I recommend that the Management of the Police Force to ensure claims are appropriately reviewed before they are submitted to NHIF for reimbursement and, liaison with NHIF so that more training and seminars on NHIF compliance issues and service provision are conducted to eliminate faults noted	Vote 52/ Ministry of Foreign Affairs and East African Cooperation - Vote 34/ National Electoral Commission - Vote 61 The Police Force	also strengthened its internal controls on financial management systems and payment procedures to ensure	for audit verification	Under implementation
					<p>Audit recommendation noted and complied as follows; -</p> <p>a) Moshi Police School An amount of TZS.8, 572,400 has been reimbursed for the months of February, March, April, May and June 2020. (ii) Appropriate employees were appointed to review the correctness and completeness of the forms before submission to the relevant authority (NHIF).</p> <p>b) Mbeya Dispensary ment of Mbeya Police Dispensary has already formed a Committee whose duties and responsibilities are to make sure that all NHIF forms are accurate before they are sent to NHIF Office.</p> <p>Kigoma Dispensary</p>	<p>I am still insisting on ensuring that claims are appropriately reviewed before they are submitted to NHIF for reimbursement, moreover making a follow-up to NHIF for reimbursement of the remaining amount after proper documentation</p>	

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
32	2.3.32	Unbudgeted Expenditures of 24,408,396,381	I recommend management to ensure all expenditures are in line with the approved budget as required by the Budget Act. and Children - Vote 52/ Prime Minister's Office - Labour, Youth, Employment and Persons with Disability (PMOLYEPD) - Vote 65/ RAS Songwe	ACGEN/ UNES/ Commission - Vote 18/ Works, Trade and Communication Ministry of Health, Development, Gender, Children and Children - Vote 52/ Ministry of Health, Development, Gender, Elderly	Appropriate employees were appointed to review the correctness and completeness of the forms before submission to the relevant authority (NHIF). Kagera Dispensary Appropriate employees were appointed to review the correctness and completeness of the forms before submission to the relevant authority (NHIF).	Prime Minister's Office (Vote 65) is in the process of ensuring that all expenditures are in line with the approved budget as required by the Budget Act.	Under implementation
33	2.3.33	Irrregular Payments TZS 53,345,000	I recommend that the Accounting Officers should observe financial management laws and directives and where lacuna is noted, appropriate	ACGEN/ Office of Attorney General (Vote 16)/ Ministry of Natural Resources and	The Auditor's observation for Irregular Payment from Attorney General Office amounting to TZS 50,400,000.00 paid to State Attorneys' as Rent housing	I am emphasising on the submission of the approval	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
			authority should be sought in writing.	Tourism - Vote 69	assistance is noted General paid the budgeted Rent Assistance to State Attorneys to allow/assist these State Attorney to secure descent housing given the sensitive nature of their roles in advising government institutions, agencies, corporations, independent departments. Meanwhile, the Permanent Secretary for Ministry of Constitutional and Legal Affairs has written a letter with Ref No.AB.3/310/01/01 dated 16 June 2020 to the Permanent Secretary in the President's Office, Public Service Management and Good Governance requesting for approval of payment of budgeted housing rent assistance to the State Attorneys in discharging their duties.. The Office of the Attorney	from the Permanent Secretary in the President's Office, Public Service Management and Good Governance	
34	2.3.34	Ineffective Controls for the Registration of Government Motor	Therefore, I recommend the government to establish and issue Motor vehicle registration the guidelines governing the registration process. Also, I	Ministry of Works and Transport (Works)	The Government through Office of the Prime Minister, President's Office, Public Service Management and Good	I am emphasising on submitting to me the	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
		Vehicles at the Ministry of Works, Transport and Communication (Works)	recommend all government owned motor vehicles, motorcycles and plant and equipment, including TPDF, Police, Fire and Immigration Department, should be automated centrally registered system with the Ministry of Works, Transport and Communication (Works) in order for the government to have control of its vehicles		<p>Governance, Ministry of Finance and Planning and Ministry of Works and Transport (Works) has realised that there is a need to have the Guidelines of how to manage Government Motor Vehicles, Motor Cycles and Plants from Issuing of Permit up to disposal.</p> <p>The Ministry (Works) has prepared and submitted to the Prime Minister's Office the draft Guidelines in management of all Government Motor Vehicles, Motor Cycles and Plants.</p> <p>The Guidelines includes all steps to be followed in obtaining permit to purchase government motor vehicles, Motor Cycles and Plants.</p> <p>There shall be a system to be under the Office of Prime Minister.</p> <p>Data base system of all Government Motor Vehicles, Motor Cycles and Plants to be established and</p>	guideline for audit verification	


SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
					<p>linked together between relevant Ministries.</p> <p>Data base of all Government Motor Vehicles, Motor Cycles and Plants sold through public auction to be established and maintained.</p> <p>There shall be inspection of Specifications if were compiled during purchase before the Government motor vehicle, Motor Cycles and Plants is registered.</p> <p>The Motor vehicle, Motor Cycles and Plants registration card shall have the names of owner and all other relevant information.</p> <p>(vi) The Guidelines shall have categorisation of motor vehicles and shall limit the types of Motor Vehicles, Motor Cycles and Plants to be used in the government for easy of maintenance</p>		

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
35	2.3.35	Outstanding Payables TZS 3,126,442,872,063	I recommend that the government release sufficient funds as per the approved budget to reduce the accumulation of substantial outstanding accounts payables, which might be subject to litigation risk and reduce credibility. I further recommend that the Accounting officers are advised to emphasise the settlement of the existing payables before entering into new commitments.	CB/ACGEN	Recommendation has been noted. Further to the recommendation, based on the regulation of Budget Act CAP 439 and Public Finance Act CAP 348 and Circular of Paymaster General the Government has continued to allocate budget every fiscal year for payments of verified outstanding payables according to procedures put in place. Accounting Officers are insisted to adhere	I still emphasise on release of sufficient funds as per the approved budget to reduce the accumulation of substantial outstanding accounts payables	Under implementation
36	2.3.36	Indian Hospitals Outstanding Medical Bills	I recommend that the Ministry of Finance and Planning should release sufficient funds to settle the outstanding medical bills from referral hospitals in India so as to avoid the risk of an increase in debt due to fluctuating exchange rates	CB/ACGEN	The government is verifying the outstanding medical bills from referral hospitals in India to determine the genuine bills to be settled based on the availability of fund.	I still emphasise that the Ministry of Finance and Planning should release sufficient funds to settle the outstanding medical bills from referral hospitals in India	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
37	2.3.37	Financial Loss to Ineffective Management of Mozilla and Civil Registration Systems by RITA TZS 116,460,500	I recommend that disciplinary measures should be imposed against those involved in defrauding government revenues. Along with this, I also recommend that punitive measures should be taken against those involved in the procurement of ineffective CRS System.		<p>The Agency's Civil Registration System (CRS) was deployed in 2017 along with other ICT infrastructure obtained through the Regional Communication Infrastructure Project (RCIP). The project was procured through President's Office Public Service Management and Good Governance and Ministry of Communication Science and Technology on behalf of the Government of Tanzania. The system was designed to operate with an internal billing platform which was in operation at the time of requirements collection. However, in the last part of 2017 the Government issued a Circular that mandated all public institutions to use the newly established GePG payment platform. It is during this change that left the Civil Registration System (CRS) with insufficient integration capability with the GePG as it was not part of the design during development of the CRS system. Currently experts from Ministry of Finance and Planning and EGA are working on ensuring the integration</p>	I advise the Ministry of Finance and EGA to put strong controls on CRS System and disciplinary measures should be imposed against those involved in defrauding government revenues	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
38	2.3.38	Allegations to Related Misappropriation of Withholding Taxes Collected by TEMESA from July 2015 to June 2020 CAG recommendation	I recommend the refund of TZS 709,152,607.07 from the named beneficiaries and appropriate measures instituted against them. I also recommend improvements of the internal controls at TEMESA, including segregation of duties and job rotations.		between CRS and GePG. Actions against employees that were involved in causing loss to the Agency, disciplinary actions against those involved in defrauding Government revenue are being taken according to procedures including termination. (a) Withholding Taxes Erroneously Computed TZS 11,217,209.93 The issue of withholding tax erroneously computed has been resolved with TRA and the actual amount of withholding tax liability established by TRA has been fully paid. 24 (b) Financial Loss Due to Withholding Taxes Cheques Forged by TEMESA and Staffs of One of the Commercial Banks TZS 709,152,607.07 Management concurs with Auditor's recommendation. A total amount of TZS 723,232,168 has been refunded by the bank to the Agency's bank account which is inclusive of the	I am emphasizing on producing the evidences for audit purposes	Implemented

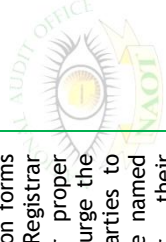
SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
					<p>amount of TZS 709,152,607.07 mentioned in the Auditor's recommendation. The refund has been done while the offences involved are under Police investigation.</p> <p>(c) Withholding Taxes Collected by TEMESA but Not Paid to TRA TZS 866,160,442.04</p> <p>The outstanding Withholding Taxes Collected by TEMESA of TZS 866,160,442.04 has been paid to TRA as follows: -</p> <p>i) Payment effected vide Agency notice issued to Regional Manager TANROADS-Shinyanga i.e., Deducted from TEMESA Corporation Sole claim for electrical installation services rendered to TANROADS Shinyanga region TZS 200,000,000.</p> <p>ii) Agency notice issued to Agency's bank. Tax debit No. 444315618 TZS 159,136,264.60 and Tax debit No. 444315625 TZS 21,141,201.92</p> <p>iii) Payment made to TRA by using control number of TZS 189,700,216.60</p>		

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
39	2.3.39	Political parties continued to show non-compliance with the financial reporting framework	I recommend the Political Parties' Accounting Officers to strengthen internal controls by handling and recording relevant financial information appropriately to support the preparation of financial statements. I further reiterate my recommendation that Political parties should engage qualified personnel in the preparation of financial statements based on the applicable accounting framework.		iv) Last Payments made vide Agreement on payment of tax by instalment dated 13/07/2020 being five (5) instalments totalling TZS 296,182,759. Hence, the withholding tax liability of TZS 866,160,442.04 has been fully paid. Moreover, the Agency has taken initiatives to improve internal controls by effecting segregation of duties and job rotation. Addition of manpower has also been effected by availing five (5) staff to enhance management and accounts	I advise the ORPP to strengthen internal controls by handling and record management also to provide me with a copy of the compliance requirement	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
40	2.3.40	Irregularities to Related Financial Management in CCM TZS 593,180,714	I recommend that CCM management should institute adequate controls such that the party's resources will be safeguarded effectively.		last year 2020. The ORPP concurs with that, all Political parties with full registration should engage qualified personnel in the preparation of financial statements based on the applicable accounting framework. At the moment the ORPP is preparing a compliance requirement for all political parties to adhere. The Party has been asked to implement the recommendation and submit to the Registrar of Political Parties implementation report for further follow up by the Registrar. Letter Ref. HA.322/362/01/80 dated 18th May, 2021.	for audit purposes	Not implemented
41	2.3.41	Irregularities to Related Procurement Management in CCM TZS 349,869,400	I recommend that CCM management should ensure all procurements are conducted fairly and competitively to obtain the value for money and safeguard the party's resources.		The Party has been asked to implement the recommendation and submit to the Registrar of Political Parties implementation report on the date stated for further follow up by the Registrar. Letter Ref. HA.322/362/01/80 dated 18th May, 2021	recommendation is still outstanding for implementation	Not implemented

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
42	2.3.42	Motor Vehicles Procured by CUF Registered in Individual Names TZS 72,981,268	In this particular matter, I recommend that management should take all reasonable steps to ensure that the vehicles are registered in the name of the CUF Board of Trustees.		The Party has been asked to implement the recommendation and submit to the Registrar of Political Parties implementation report on the date stated by the Registrar. Letter Ref. HA.322/362/01/80 dated 18th May, 2021	recommendation is still outstanding for implementation	Not implemented
43	2.3.43	Irregularities in Managing CHADEMA Budget TZS 377,430,000	I recommend CHADEMA management should to ensure that all expenditures incurred are included in the budget for transparency and accountability of members' resources.		The Party has been asked to implement the recommendation and submit to the Registrar of Political Parties implementation report on the date stated by the Registrar. Letter Ref. HA.322/362/01/80 dated 18th May, 2021.	recommendation is still outstanding for implementation	Not implemented
44	2.3.44	Nugatory Expenditure in Financing Loan Recoveries by CHADEMA TZS 19,800,000	I recommend that the reasonable steps should be instigated by CHADEMA for the loan amount repaid to be refunded from the named leader, thus building confidence in the party's members in managing their resources.		The Party has been asked to implement the recommendation and submit to the Registrar of Political Parties implementation report on the date stated for further follow up by the Registrar. Letter Ref. HA.322/362/01/80 dated 18th May, 2021.	recommendation is still outstanding for implementation	Not implemented
45	2.3.45	Expenditure Incurred Without Supporting Documents TZS 347,521,794.	I recommend that the internal controls of the named Political Parties should be strengthened such that all payments made should include adequate records before the approval is granted		The Party has been asked to implement the recommendation and submit to the Registrar of Political Parties implementation report on the	recommendation is still outstanding for implementation	Not implemented

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
46	2.3.46	Delays in the Submission of Financial Statements for Audit Purposes.	I recommend that the Political Parties management hire Registered Accountant Practitioners for their financial statements to be professionally prepared and submitted to my Office timely. Also, I urge the Registrar of Political Parties to supervise and enforce the timely submission of all Political Parties' financial statements.		date stated for follow up procedures by the Registrar. To ensure timely submission of Financial Statements for Audit Purposes, The Office of the Registrar of Political Parties will continue with provision of training to Political Parties, reminds of the compliance to this legal requirement and provide punishment when necessary.	I still urge the Registrar of Political Parties to supervise and enforce the timely submission of all Political Parties' financial statements.	Under implementation
47	2.3.47	Non-compliance with IPSAS Framework in the Preparation of Financial Statements.	I recommend that the Registrar of Political Parties should supervise and enforce compliance with Political Parties (Financial Accounting) Regulations, 2019 by the named Political Parties for their financial statements to comply with the IPSAS framework.		To ensure compliance with Political Parties (Financial Accounting) Regulations, 2019, The Office of the Registrar of Political Parties will continue to conduct training to Political Parties on how to comply with the regulations, reminds them and provide punishment when necessary.	I still recommend Registrar of Political Parties to supervise and enforce compliance with Political Parties (Financial Accounting) Regulations, 2019 and IPSAS framework.	Under implementation
48	2.3.48	Irregularities Related to	I still recommend that more reforms should be instituted by		The Office of the Registrar of Political Parties through	I still recommend	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
		Management of Fund Collected by Eight Political Parties TZS 244,583,800.	the Political Parties management to ensure that all funds received banked appropriately and timely.		letters, training and physical verification exercises urges Political Parties to adhere to Political Parties Act by establishing strong internal controls to ensure all cash collected are intact banked in party bank account.	that funds received should be banked appropriately and timely	mentat ion
49	2.3.49	Assets Declaration Forms not Filed and Submitted to the Registrar of Political Parties	I strongly recommend the Political Parties management to prepare assets declaration forms and submit them to the Registrar of Political Parties for proper record keeping. Also, I urge the Registrar of Political Parties to keep following with the named Political Parties for their declaration forms to be submitted.		Each year the Office of the Registrar of Political Parties reminds Political Parties to submit declaration of properties and made follows up parties which do not respond. The Office of the Registrar of Political Parties will continue with the follow up and will provide punishment when necessary.	I still recommend the Political Parties management to prepare assets declaration forms and submit them to the Registrar.	Under implementation
50	2.3.50	Members' Register not Updated	I still urge the referred Political Parties to regularly update their members and leaders' registers and forward the same to the Registrar of Political Parties for proper record keeping		In 2020 the Office of the Registrar of Political Parties has introduced sample registers to be filled by Political Parties including members register and the same will be inspected annual for timely updating. The Office will continue with the follow up to ensure adherence to the requirements.	I still urge the referred Political Parties to regularly update their members and leaders' registers and forward the same to the Registrar of	Under implementation


SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
51	2.3.51	Board of Trustees Annual Return not Filled and Submitted to the Administrator General (RITA)	recommend that the management of CHAUWMA should file the annual return without undue delay and submit to the Administrator-General of RITA. I also advise the Administrator-General to enforce the timely submission of the Trustees members' annual return for proper record keeping.		The Party has been asked to implement the recommendation and submit to the Registrar of Political Parties implementation report on the date stated by the Registrar for further follow up.	Political Parties for proper record keeping I am emphasizing on my recommendation	Under implementation
52	2.3.52	CUF owns nine Vehicles and 27 Motorcycles Registered Using Individuals Names	I recommend CUF management to ensure all properties are registered in the name of CUF Board of Trustees and properties that bear individuals' names are legally transferred to CUF Board of Trustees name.		The Party has been asked to implement the recommendation and submit to the Registrar of Political Parties implementation report on the date stated by the Registrar. Letter Ref. HA.322/362/01/80 dated 18th May, 2021.	I am emphasizing on my recommendation that all CUF assets should bear Trustees name(Including the Nine Vehicles and 27 Motorcycles)	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
53	2.3.53	CUF Lacked the Factual Documentation Indicating Ownership of 24 Vehicles and 24 Motorcycles	In respect to this matter, I recommend the Registrar of Political Parties to facilitate the reconciliation between CUF and former CUF members shifted to ACT Wazalendo and facilitate smooth handing over of properties registered by the name of CUF Board of Trustees		There is case pending in court about the matter, however efforts are being made to convince the two political parties to meet for reconciliation	I am waiting for the court judgement.	Under implementation
54	2.3.54	Ambiguities in the Ownership of 6 Vehicles that Flagged the Names of Former Director of Finance and Economic at CUF	I recommend to the Registrar of Political Parties to facilitate the reconciliation between CUF and former CUF members shifted to ACT Wazalendo and facilitate smooth handing over of properties owned by the Party and ensure that the same are registered in CUF Board of Trustees name.		There is case pending in court about the matter, however efforts are being made to convince the two political parties to meet for reconciliation.	I am waiting for the court judgement	Under implementation
55	2.3.55	Special Audit on the Government Subvention and Properties Owned by NCCR- MAGEUZI Irregularities Related to Revenue Management TZS 567,630,501.31	I recommend the NCCR-Mageuzi to receipt and bank all revenue collected. Also, I urge the Registrar of Political Parties to keep updated records of government subvention disbursed to the Political parties and carry out regular reconciliations.		The Party has been asked to implement the recommendation and submit to the Registrar of Political Parties implementation report on the date stated by the Registrar.	I am emphasizing on my recommendation	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
56	2.3.56	Irregularities to Related Properties Management	I recommend that the NCCR-Mageuzi should identify all owned assets and keep updated records and file assets declaration forms to the Registrar of Political Parties as required by the Political Parties Act Cap 258 revised 2019.		The Party has been asked to implement the recommendation and submit to the Registrar of Political Parties the implementation report on the date stated by the Registrar.	I am emphasizing on my recommendation	Under implementation
57	2.3.57	Loan Balances and Refunds Without Disbursement Evidence - TZS 190,925,500	I recommend that NCCR-Mageuzi should take appropriate measures to ensure that TZS 21,000,000 is refunded from named lenders and TZS 45,637,500 from the members.		The Party has been asked to implement the recommendation and submit to the Registrar of Political Parties the implementation report on the date stated by the Registrar.	I am emphasizing on my recommendation	Under implementation
58	2.3.58	Irregularities Noted in the Tarime House Sold	I therefore recommend that NCCR-Mageuzi should institute legal measures against the former Secretary-General and demand the refund of the misappropriated fund amounting to TZS 10,000,000. Also, TRA should demand capital gain tax from NCCR-Mageuzi.		The Party has been asked to implement the recommendation and submit to the Registrar of Political Parties the implementation report on the date stated by the Registrar.	I am emphasizing on my recommendation	Under implementation
59	2.3.59	Illegal Possession of the Party' House by One of the Leaders	I therefore recommend that the NCCR-Mageuzi should take appropriate measures against the named leader and the named houses should be returned to NCCR-Mageuzi.		The Party has been asked to implement the recommendation and submit to the Registrar of Political Parties the implementation report on the date stated by the Registrar for the follow up and further action.	I am emphasizing on my recommendation	Under implementation
60	2.3.60	Disputes Over Ownership of	I recommend that National Investigation Organs should		The matter has been forwarded to the Director of Criminal	I am waiting for the	Under implementation

SN	Para	Issue	Recommendation	Responsible	Management Responses	Audit Comments	Status
		56 Acre Farm Located at Kiromo, Bagamoyo	launch an investigation that will establish any criminal proceedings in the sale of the named farm and take appropriate legal measures against the named leader.		Investigation in the Police Force for investigation.	Criminal Investigation in the Police Force	mentation


Appendix VII: Special Audit Implementation status recommendations for three years consecutively

SN	Para	Title	Recommendation	Status
	2019/20			
	13.2.1	(1) Special Audit on Tourism Development Levy, Urithi Festival and Establishment of Tanzania Safari Channel and Digital Commanding Centre		
1	13.1.1.1	Mismanagement of Tourism Development Levy Fund TZS 34,985,150,310.80.	I recommend the government to take appropriate measures against officials confirmed to have been involved in mismanaging the public resources	Under implementation
2	13.2.1.2	Improprieties in the Establishment and Operation of Urithi Festival event TZS 2,085,494,988.	I recommend the appropriate measures be instituted by the government against those involved in mismanaging the Tourism Development Levy Fund.	Under implementation
3	13.2.2	TANAPA and NCAA Unbudgeted Fund for Mount Kilimanjaro Climbing Challenge TZS 171,998,045.	I recommend the appropriate measures to be enforced against those confirmed to constitute violation of the Public Service Code of Conduct.	Under implementation
4	13.2.3	The Minister's Office Expenditure were Incurred by NCAA and TFS through Directives TZS 148,229,045.	I recommend appropriate measures to be taken against the Minister of the Ministry of Natural Resources and Tourism and his Personal Assistant for draining the NCAA and TFS funds in favour of personal interests.	Under implementation

SN	Para	Title	Recommendation	
5	13.2.4(a)(b)(c)	(2) Special Audit on Project Expenditure related to Land Use Planning Committed by the National Land Use Planning Commission.	In this particular matter, I recommend that appropriate disciplinary measures should be taken against the Director-General and Chief Accountant, and that legal actions be taken against all officers involved in embezzlement of public funds at NLUPC.	Under implementation
6	13.2.5	(3) Special Audit on Assets Owned by CUF and ACT- Wazalendo		Under implementation
	13.2.5.1	CUF Owns nine Vehicles and 27 Motorcycles registered using Individuals names.	Considering the above, I recommend CUF management to ensure all properties are registered in the name of CUF Board of Trustees and properties that bear individuals' names are legally transferred to CUF Board of Trustees name.	Under implementation
7	13.2.5.2	CUF lacked the factual documentation indicating ownership of 24 vehicles and 24 motorcycles.	In respect to this matter, I recommend the Registrar of Political Parties to facilitate the reconciliation between CUF and former CUF members shifted to ACT Wazalendo and facilitate smooth handing over of properties registered by the name of CUF Board of Trustees.	Under implementation
8	13.2.5.3(a-c)	Ambiguities in the Ownership of 6 vehicles that flagged the names of Former Director of Finance and Economic at CUF.	In respect to this matter, I recommend to the Registrar of Political Parties to facilitate the reconciliation between CUF and former CUF members shifted to ACT Wazalendo and facilitate smooth handing over of properties owned by the Party and ensure that the same are registered in CUF Board of Trustees name.	Under implementation
	13.2.6	(4) Special Audit on the Expenditure Done by the National Identification Authority (NIDA) from the Grant Fund Provided by the Financial Sector Deepening Trust (FSDT)		
9	13.2.6.1	National Identification Numbers (NINs) not generated despite spending USD 1,153,588 (TZS 2,595,573,000)	In this regard, I recommend that before the signing of the proposed addendum to Funding Agreement, NIDA should appraise its requirements to confirm whether they align with the project funding objectives	Under implementation
10	13.2.6.2	NIDA Deceived the Project Expenditure Totalling USD 292,763.18 (TZS 658,717,155) in the Project	I recommend the joint review of the project expenditure between NIDA and FSMT to ascertain the eligibility of the project	Under implementation

SN	Para	Title	Recommendation	
		Comprehensive Report submitted to FSDT	expenditure reported before signing the new funding agreement.	
11	13.2.6.3	Procurement without involvement of the Tender Board and Procurement Management Unit (PMU) USD 220,200 (TZS 495,450,000)	I recommend that disciplinary proceedings inflicted against the responsible officials, who diverged the Public Procurement Procedures.	Under implementation
12	13.2.6.4	NIDA Outlaid Expenditure Totalling TZS 151,051,838 that Diverged from the Terms of the Fund Agreement	I recommend the disciplinary measures administered to the NIDA officials involved in the reallocation of the project funds to other activities.	Under implementation
	13.2.7	(5) Special Audit on management of UNICEF funds by the Department of Social Welfare at the Ministry of Health, Community Development, Gender, Elderly, and Children		
13	13.2.7.1(a,b)	Irregularities Spotted in the Management of UNICEF Funds a) Irregularities related to Forgery and Alteration of Payment Records	I recommend that DSW should reinforce the internal control systems to safeguard the project partner's fund. I also recommend that disciplinary measures should be taken against all employees involved in misappropriation of UNICEF funds.	Under implementation
	13.2.8	(6) Special Audit on Civil Registration System (CRS) at RITA Dodoma		
14	13.2.8.1	Financial Loss due to ineffective Management of Mozilla and Civil Registration Systems by RITA TZS 116,460,500	I recommend that disciplinary measures should be imposed against those involved in defrauding government revenues. Along with this, I also recommend that punitive measures should be taken against those involved in the procurement of ineffective CRS System.	Under implementation
	13.2.9	(7) Special Audit on the allegations related to Misappropriation of Withholding Taxes Collected by TEMESA from July 2015 to June 2020		
15	13.2.9.3	Withholding Taxes Collected by TEMESA but not paid to TRA TZS 866,160,442.04	I recommend the refund of TZS 709,152,607.07 from the named beneficiaries and appropriate measures instituted against them. I also recommend improvements of the internal controls at TEMESA, including segregation of duties and job rotations.	Under implementation

SN	Para	Title	Recommendation	
	13.2.10	(8) Special Audit on the Government Subvention and Properties owned by NCCR- MAGEUZI		
16	13.2.10.1	Irregularities Related to Revenue Management TZS 567,630,501.31	I recommend the NCCR-Mageuzi to receipt and bank all revenue collected. Also, I urge the Registrar of Political Parties to keep updated records of government subvention disbursed to the Political parties and carry out regular reconciliations	Under implementation
17	13.2.10.2	Irregularities Related to Properties Management	I recommend that the NCCR-Mageuzi should identify all owned assets and keep updated records and file assets declaration forms to the Registrar of Political Parties as required by the Political Parties Act Cap 258 revised 2019.	Under implementation
18	13.2.10.3	Loan balances and refunds Without Disbursement Evidence - TZS 190,925,500	I recommend that NCCR-Mageuzi should take appropriate measures to ensure that TZS 21,000,000 is refunded from named lenders and TZS 45,637,500 from the members.	Under implementation
19	13.2.10.4	Irregularities Noted in the Tarime House Sold	I therefore recommend that NCCR-Mageuzi should institute legal measures against the former Secretary-General and demand the refund of the misappropriated fund amounting to TZS 10,000,000. Also, TRA should demand capital gain tax from NCCR-Mageuzi.	Under implementation
20	13.2.10.5	Illegal Possession of the Party' House by one of the Leaders	I therefore recommend that the NCCR-Mageuzi should take appropriate measures against the named leader and the named houses should be returned to NCCR-Mageuzi.	Under implementation
21	13.2.10.6	Disputes over ownership of 56-acre Farm Located at Kiromo, Bagamoyo	I recommend that National Investigation Organs should launch an investigation that will establish any criminal proceedings in the sale of the named farm and take appropriate legal measures against the named leader.	Under implementation
	2018/19			
	12.3.1	Special Audit on Contract No. AE/008/2015-2016/HQ/C/3 between REA and SMEC International Pty Ltd and Contract No. AE./008/2016-2017/HQ/G/9,10, and 11 between REA and Twenty-Nine (29) Contractors		

SN	Para	Title	Recommendation	
		on the Detailed Survey and Detailed Design		
22	12.3.1.1	REA Revoked the SMEC Consultancy Report in the Tendering Process of Twenty-Nine (29) Contractors for Power Distribution in REA Phase III (1st round) and occasioned the loss of TZS 1,083,301,547.62	I, therefore, recommend the reasonable disciplinary measures compelled against those involved in the occasioned loss of TZS 1,083,301,547.63 to Rural Energy Agency (REA)	under implementation
23	12.3.1.2	Four (4) Contractors for Rural Power Distribution were Paid TZS 335,707,277 Outside the Agreed Scope of Work in the Original Contract and Before the Revised Addendum	I recommend the management of REA (Rural Energy Agency) all the time to implement payments in conformity with the terms and conditions, as capitulated in the contracts	under implementation
	12.3.2	Special Audit on the Construction Projects (Ushirika Towers) Owned by the Tanzania Federation Cooperatives (TFC)		
24	12.3.2.1	Deficiencies in Project design have Led to the Additional Costs for Automatic Fire Sprinklers- TZS 999,517,100	In the light of the facts mentioned above, I recommend that the management of TFC to forward the matter of professional negligence induced by Consafrica Limited to Architects and Quantity Surveyors Registration Board (AQRB) for the appropriate professional charges	under implementation
25	12.3.2.2	Certification of Works for Payments by Consulting Engineer (Consafrica Limited) was based on the Bills of Quantities (BOQ) without Measuring the Actual Work Performed- TZS 4,001,851,250	I recommend that the appropriate professional charges contemplated against Consafrica Limited for professional negligence caused, in the course of approving the invalid payments to China Civil Engineering and Construction Corporation (CCECC) for works not performed and I further recommend the refund of TZS 4,001,851,250 by China Civil Engineering and Construction Corporation (CCECC).	under implementation
26	12.3.2.3	Works not Executed Despite Approved for Payments by the Consulting Engineer -TZS 582,864,029	I recommend the China Civil Engineering and Construction Corporation (CCECC) to refund the amount of TZS 582,864,029 paid for works not executed. Also, the prudent professional measures may be considered against Consulting Engineer (Cons	under implementation

SN	Para	Title	Recommendation	
27	12.3.2.4	Rental Agreement Between TFC and CRDB Bank at Ushirika Tower was Signed without the involvement of Cooperatives Societies Registrar as Required by Cooperatives Societies Rules, 2004 and Withholding taxes of TZS 288,162,453.02 was not paid by CRDB Bank to TRA	Africa Limited) by Architects and Quantity Surveyors Registration Board (AQRB) for professional negligence caused I recommend that the management of CRDB Bank to pay the withholding taxes of TZS 288,162,453.02 retained to the Tanzania Revenue Authority (TRA).	under implementation
	12.3.3	Special Audit on the Allegations Related to Fund Misappropriation on the Fire and Rescue Force Welfare Fund at the Fire and Rescue Force		
28	12.3.3.1	Fire Training Funds Provided by NMB Bank was Defrauded by Fire Officials - TZS 66,000,000	I recommend legal and disciplinary proceedings administered against Fire and Rescue Officials who were involved	under implementation
29	12.3.3.2	Welfare Funds were Misappropriated by Fire and Rescue Officials Based on the Pretense that Clients have Deposited the Training Funds into the Welfare Bank Account in Facts no Fund Banked - TZS 14,200,000	I recommend the legal and disciplinary measures instituted against all officials who have intentionally implicated the welfare fund	under implementation
	12.3.4	Special Audit on the Issued Carrying on Temporary Assignment (CTAs) to Visitors at Dar es Salaam Immigration Department, Immigration Regional Office (Mtwara), and Julius Nyerere International Airport (JNIA)		
30	12.3.4.1	Loss Sustained by the government due to Issuance of Illegal CTA's Permits, and Unapplied Special Pass and Resident Permits - USD 1,732,450	I recommend the legal and disciplinary proceedings carried out to all Immigration Officers who were involved, and the Dangote Cement Company should recover the loss of USD 1,666,850 for the unapplied Special Pass and Resident Permits.	under implementation

SN	Para	Title	Recommendation	
	12.3.5	Special Audit on the Construction of Dormitory and Lecture Hall at Olmotonyi Forestry Training Institute in Arusha		
31	12.3.5.1	Payments to the Contractor were Made Without Measuring Actual Works Carried Out - TZS 1,903,974,600	I recommend the Contractor (United Builders) to refund a total of TZS 11,697,900 for the works not executed. Along with this, I also recommend the Architects and Quantity Surveyors Registration Board (AQRB) to consider the appropriate professional charges to the Consulting Engineer Kapwani Architects for not acting professionally in advising the Olmotonyi Forestry Training Institute during the subdivision of construction works in a ratio of 52:48 and for not approving payments of TZS 1,903,974,600 based on actual works performed	under implementation
	12.3.6	Special Audit on the Developed Joint Venture Project Between Tanzania Girl Guides Association (TGGA) and Jafferji Developers Limited From 2010 to 2018		
32	12.3.6.1	Weakness in the Management of Joint Venture Project by TGGA	I recommend the Registered Board of Trustees of TGGA to procure the new Property Manager to lessen the prevailed conflict of interest in the management of Property. Along with this, I also recommend the conduct of the valuation to establish the Property value as well as the review of the Joint Venture Agreement should be carried out to embrace the concessional period.	under implementation
	12.3.7	Special Audit on the Committed Expenditure of TZS 8,000,000 at President's Office Public Service Management and Good Governance (POPSM) from 01 July 2019 to 04 November 2019		
33	12.3.7.1	Misuse of the Taxpayers Fund under the Pretense of the Car breakdown	I recommend the appropriate disciplinary measures considered against the named Officer, and a total of TZS 5,380,000 misused should be refunded	under implementation

SN	Para	Title and additional allowances	Recommendation	
		5,380,000 TZS		
34	12.3.7.2	Irregularities on the Amount Spent during the Special Visits by the deputy minister in Mwanza and Simiyu; TZS 43,856,000	In this context, I recommend the internal controls at the POPSM improved. Along with this, I also recommend disciplinary measures be administered to four (4) drivers for the gaps in managing fuels, and the named officer should refund a total TZS 1,000,000 for leaflets not purchased.	under implementation
35	12.3.7.3	Deficiencies Highlighted in the Payments Made Out of Other Charges (OC) Funds from July 2019 to November 2019	In these circumstances, I recommend the overhaul of the systems of internal controls at POPSM. Consistent with this, I also recommend disciplinary measures imposed against the Acting Chief Accountant, and the amount of TZS 4,300,000 swindled should be refunded.	under implementation
	12.3.8	Special Audit at National Housing and Building Research Agency (NHBRA) from 2010 to 2018		
36	12.3.8.1	Irregularities Revealed in the Management of the NHBRA Expenditure, Revenue, Procurement from 2010 to 2018	In this regard, I recommend a thorough review of the internal controls system at NHBRA. Along with this, I also recommend a refund of TZS 16,990,300 by four (4) named employees who did not attend training in Uganda. An investigation should be initiated on the employees who misplaced the twelve (12) revenue books and caused the NHBRA not to collect the earmarked revenue	under implementation
	2017/18			
	12.2.1	Special Audit on the Procurement of Biometric Voters Registration (BVR) by the National Electoral Commission		
37	12.2.1.1	Non-Integration of BVR Kits System between NEC, NIDA& RITA and Nugatory Payments of TZS 862,085,100 for additional Windows and Biometric Algorithms Licenses	In this regard, I advise that strict supervision of contracts be maintained by the government to curtail risks of fraud and embezzlement of public resources.	under implementation
38	12.2.1.2	Payments to Supplier above Contract Price USD 148,243.73	I recommend a refund of additional payments by Supplier and institution of legal and disciplinary measures to NEC officials who colluded with Supplier and misappropriated public money	under implementation

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SN	Para	Title	Recommendation	
39	12.2.1.3	Payments for Trainings not conducted USD 358,650	The government suffered a loss of USD 358,650 by making payments for training not conducted. In this regard, I recommend refund from the Supplier and appropriate disciplinary and legal measures taken against NEC officials responsible	under implementation
	12.2.2	Special Audit on the Procurement of Automated Fingerprint Identification System (AFIS) by the Tanzania Police Force		
40	12.2.2.1	AFIS Technical Specifications Prepared by User Department were discarded during the Tender Evaluation Process	In this regard, I recommend that fresh procurements be executed using requirements as stipulated in Section 39(1) (b) - (d) of the Public Procurement Act, 2011 for the attainment of value for money. I also, urge the appropriate Authority to take disciplinary procedures against responsible officers	under implementation
41	12.2.2.2	Different Prices were charged for Similar AFIS Gadgets and leading to Overpayment of TZS 556,647,610	I recommend legal and disciplinary measures against all responsible officers who contributed to the loss of TZS 556,647,610.	under implementation
42	12.2.2.3	Award of Tender ME./014/PF/2011/2012/G/12 Lot 1- Supply of Specialized Equipment (AFIS) to Unqualified Bidder	I, therefore, recommend the criteria in the tender document be applied throughout the process of evaluation, approval, and award of tender as stipulated in the Public Procurement Act, 2011 and its regulations. I emphasise appointed evaluation committee members to act professionally and independently	under implementation
43	12.2.2.4	Procurement of AFIS was not Budgeted by the Tanzania Police Force	In respect to this, I recommend the expenditure derived from the annual approved budget and any reallocation thereon should follow procedures stipulated in Section 41 of the Budget Act, 2015.	under implementation
44	12.2.2.5	Non-Installation of AFIS Equipment's Costing TZS 1,736,056,030.45 to 35 Prisons	I recommend the immediate installation of AFIS equipment to the 35 prisons identified.	under implementation
45	12.2.2.6	No Training for 30 Experts Costing TZS 604,390,244	In light of this, I recommend the training of 30 experts finalised by M/s Lugumi Enterprises Limited or refund training costs paid	under implementation
46	12.2.2.7	Missing 58 Dell Optiplex Monitors With 22 Inches Model L2250p Costing TZS 159,166,100	In this regard, I recommend that legal and disciplinary measures be instituted against Forensic Unit officials for failure to maintain custody of 58 Dell Optiplex Monitors	under implementation

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SN	Para	Title	Recommendation	
47	12.2.2.8	Payment to supplier for service not executed TZS 3,304,000,000	I, therefore, recommend the completion of maintenance and support services by the M/ Lugumi Enterprises Limited to twenty- six (26) regions as stated in the signed contract.	under implementation
48	12.2.2.9	Payments for Undelivered 213 Dell Monitors "22" Inches ("L2250P 22" Wide Hybrid 0282 TCO-5.0 1680X105075Hz) Costing TZS 431,658,635	In light of this, I recommend the Tanzania Police Force not to accept delivery of these monitors as they are virtually incompatible with the AFIS. M/S Lugumi Enterprises Limited be required to refund TZS 195,221,682.	under implementation
	12.2.3	Special Audit on Fraud Allegations during Construction of Songwe Airport Mbeya by the Tanzania Aviation Authority		
49	12.2.3.1	Payment for Construction Works Not Certified by Consulting Engineer TZS 5,482,610,339.86 and fraudulent Payments of TZS 570,508,125	I, therefore, recommend the TAA to initiate the investigation on PV. No 10 and 03 before handling project and refund of retention money to the contractor.	under implementation
50	12.2.3.2	Advance Payments not Recovered TZS 1,528,200,879.98	In this regard, I recommend that the employer (TAA) to recover the unpaid balance on interim payment certificates (IPC) which remain payable to the contractor M/S dp Shapriya & Co Ltd.	under implementation
51	12.2.3.3	Payments to the Contractor Not Entitled for TZS 3,383,387,095	In this regard, I recommend the refund of TZS 3,383,387,095 by the M/S dp Shapriya & Co LTD along with imposing legal and disciplinary measures to all TAA officials involved.	under implementation
	12.2.4	Special Audit on the Procurement of Police Uniforms and Accessories by the Tanzania Police Force		
52	12.2.4.1	Legal Opinion from Attorney General (AG) was not complied with	I, therefore, recommend that the Tanzania Police Force to always comply with procurement legislations by including opinion of the Attorney General (AG) after vetting the contracts	under implementation
53	12.2.4.2	Payments for Police Uniforms not delivered to Police Quarter Master Store TZS 16,660,000,000	In this regard, I recommend the refund by the M/S Daissy General Traders for uniforms not delivered and the imposition of legal and disciplinary measures to all police officials involved in occasioning this loss to the government.	under implementation
	12.2.5	Special Audit on the Imprest Management at the Ministry of		

SN	Para	Title	Recommendation	
		Agriculture, Livestock & Fisheries (Vote 43), Ministry of Education, Science & Technology (Vote 46), Ministry of Health, Community Development, Gender, Elderly & Children (Vote 52) and Ministry of Works, Transport & Communication (Vote 98)		
54	12.2.5.1	Imprests Issued Not Retired TZS 245,194,247.8	I, therefore, recommend to the Accounting Officers of the named Ministries to ensure that the unretired imprests are recovered from salaries as stipulated in Regulation 103(2) of the Public Finance Regulation of 2001 (Revised 2004).	under implementation
55	12.2.5.2	Imprests Issued for Activities not Budgeted TZS 32,529,895	In this regard, I recommend that the Accounting Officer (Vote 43) to issue imprests only for the expenditure in the approved estimates and such imprests be timely retired.	under implementation
56	12.2.5.3	Imprests Accounted Outside Epicor Imprest Module TZS 11,756,128,459.71	I recommend that all Accounting Officers to account imprests issued and retired in the Epicor Imprest Module to enhance value for money	under implementation
57	12.2.5.4	Imprests Retired With Incomplete or Without Retirement Particulars TZS 3,282,748,190.42	In respect of this matter, I recommend that the Accounting Officers be held accountable along with all public officials who inadequately retired their imprests and those who misplaced retirement records	under implementation
	12.2.6	Special Audit on the Procurement of 777 Ashok Leyland Vehicles by the Tanzania Police Force		
58	12.2.6.1	Irregularities noted in the procured 777 Ashok Leyland vehicles USD 29,606,100	Concerning this matter, I recommend the replacement of 22 Vehicles worth USD 572,506 found defective and rejected by the Tanzania Police Force and immediate delivery of remained 280 vehicles worth USD 6,759,648 and spare parts worth USD 5,510,429 as such avoiding recurring commitment charges on the unutilised loan balance of USD 13,477,570.30. I urge the government always to analyse all loans critically and desist from loans with commercial terms that seem to be expensive. I, therefore, encourage the National and Debt Management	under implementation

SN	Para	Title	Recommendation	
			Committees to act professionally and apply all procedures stipulated in Government loans, Guarantees & Grant Act, 1974 (Revised 2003) and its Regulations.	
	12.2.7	Special Audit on the allegations related to fund misappropriation on the loan repayment at the Presidential Trust Fund (PTF) Morogoro Branch		
59	12.2.7.1	Misappropriation of Funds During Loan Repayment TZS 67,489,000	I recommend that Chief Secretary ensure the PTF management recovers the misappropriated funds and consider taking appropriate legal and remedial measures over this scam	under implementation
60	12.2.7.2	Disbursed Loans not Received by the Intended Beneficiaries TZS 2,500,000	I recommend that the PTF Management to review its operation system with a view to mitigating chances for loan disbursement misappropriation.	under implementation
61	12.2.7.3	Acknowledgement Receipts not in the TPF Loan Repayments Records TZS 76,560,550	I recommend that the Chief Secretary ensure that the misappropriated sum is immediately recovered and the involved officials are held responsible.	under implementation
62	12.2.7.4	Impersonated Identities Fraudulently Secure Loan of TZS 15, 000,000	I recommend that the Chief Secretary ensure that PTF management fully recovers the loan repayment TZS 20,062,500 and hold accountable all the involved persons	under implementation
63	12.2.7.5	Non-Existing Group Secured Loan of TZS 5, 000,000	I recommend the PTF Management to take appropriate legal measures against former branch officials for his involvement in the fraudulent activities.	under implementation
	2016/17			
64	13.12.1	Special Audit at Immigration Service Department	Management should ensure that all remaining misappropriated funds to a tune of USD 127,184 equivalent to TZS 205 million are refunded and deposited to the respective government account. Also, appropriate disciplinary and legal measures should be taken to those who were involved in such transactions from initiation, payments process and approval of the same	under implementation
65	13.12.2	Special Audit of Tanzania Teachers Union (TTU)	From the above noted weaknesses, I urged Managements to strengthen systems of Internal Controls for ensuring the achievement of the organisation's objectives. Apart from strengthening internal controls as a measure to address noted	under implementation

SN	Para	Title	Recommendation	
			weaknesses in the special audits, disciplinary and legal action should be taken to those officers and entities for not fulfilling their obligations effectively and thus causing losses to the members funds and assets.	
66	13.12.3	Special Audit at the National Identification Authority (NIDA)	NIDA Management should ensure recovery of the improper amounts paid to BMTL Company (now known as the Copy Cat Tanzania Ltd) (TZS 402,210,885.02), Gotham International Limited Company (TZS 167,445,671.91) and USD 551,500 paid for Legal Advisory Services work which he did not deliver	under implementation
67	13.12.4	Special Audit on the Implementation of the MPS within Tanzania Police Force under STACA	From the above noted weaknesses, I advise the TPF Management to ensure that activities are always implemented in compliance with contractual agreements or Memorandum of Understanding from which the Work Plans and Budgets were formulated. Also, the Management of Tanzania Police Force should enhance internal control systems which will ensure compliance with laws and regulations during the procurement process	under implementation
68	13.12.5	Special Audit on ALAT Funds	From the above noted weaknesses, I urged Managements to strengthen systems of Internal Controls, as most of the weaknesses identified originated from existence of inadequate Internal Controls. Also, disciplinary and legal action should be taken to those officers for not fulfilling their obligations effectively and thus causing losses to the ALAT funds.	under implementation
69	13.12.6	Special Audit on Construction of Transmission and Distribution Network for MEP	The government is supposed to deduct a sum of US\$ 8,426,819.33 from the recovery claims raised by Wentworth Gas Ltd (M/S Umoja Light Company Ltd) of US\$ 8,121,058 (summarised in the factual finding reports by KPMG). The costs charged by M/S Wentworth Gas Limited / Umoja Light Company Ltd do not meet the TEF and MICRA requirements.	under implementation

Appendix VIII: Un-reconciled Items in Bank Reconciliation

Sub treasury & Description	Within one Year	More than a Year
Receipts in bank not in cash book		
Mara	17,599,900	-
Mwanza	86,571,406	-
Shinyanga	4,270,818	-
Kagera	53,437,100	-
Simiyu	2,000,000	-
Dar es salaam	687,012,576	-
Katavi	95,256,635	-
Kigoma	22,243,117	-
Morogoro	21,647,216	-
Pwani	58,451,818	-
Lindi	3,950,000	-
Singida	167,475,910	-
Arusha	900,000	-
Kilimanjaro	23,144,670	-
Tanga	15,393,483	-
Iringa	39,951,078	-
Manyara	514,217	-
Sub total	1,299,819,943	-
Payment in bank not in cash book		
Kigoma	124,660,375	-
Morogoro	44,296,305	42,743,192
Manayara	-	14,581,300
Sub total	168,956,679	57,324,492
Receipts in cash book not in bank		
Singida	145,021,308	-
Dar es salaam	17,050,000	-
Total	162,071,308	-
Payment in cash book not in bank		
Dar es salaam	36,332,000	-
Kigoma	1,734,294,254	-
Iringa	156,450,750	-
Sub total	1,927,077,004	-
Total	3,557,924,934	57,324,492

Appendix IX: Entities with Deficiencies in Audit Committees

SN	Category	Entity	Deficiencies
1.	Vote 2	Teacher's Service Commission	<ul style="list-style-type: none"> Audit committee did not review financial Statements for the year 2020/21. The committee did not prepare annual report. The committee did not conduct all four quarters meetings.
2.	Vote 39	National Service	<ul style="list-style-type: none"> Audit committee did not review financial Statements for the year 2020/21. The committee did not prepare annual report summarizing its performance and achievements to its targeted objectives.

SN	Category	Entity	Deficiencies
3.	Vote 18	United Nations Educational, Scientific and Cultural Organization (UNESCO)	<ul style="list-style-type: none"> Audit committee at UNESCO National Commission did not conduct any meeting during the financial year 2020/21.
4.	Vote 24	Tanzania Cooperative Development Commission	<ul style="list-style-type: none"> Non preparation of Audit Committee Annual Report
5.	Vote 52	Ministry of Health (former Ministry of Health, Community Development, Gender, Elderlies' and Children)	<ul style="list-style-type: none"> Audit committee did not prepare and submit annual report to the Permanent Secretary, Accountant General and the Controller & Auditor General.
6.	Other Institutions	Prisons Corporation Sole	<ul style="list-style-type: none"> The committee did not prepare an annual report. Audit committee does not have members with adequate skills and competencies as required by the Public Finance Act. The Head of Internal Audit does not report directly to the Audit Committee.
7.	Other Institutions	Town Planners Registration Board	<ul style="list-style-type: none"> Audit Committee is yet to be established contrary to the requirement of Reg. 30 of the Public Finance Regulation, 2001 [R.E 2004].
8.	Other Institutions	SUMA JKT Guard Limited	<ul style="list-style-type: none"> Audit committee did not review financial Statements for the year 2020/21. The committee did not prepare annual report summarizing its performance and achievements to its targeted objectives.
9.	Other Institutions	Institute of Judicial Administration (IJA)	<ul style="list-style-type: none"> The Audit Committee met only two out of four times required. There was no audit committee work plan setting out the activities. There was no evidence that a report had been prepared and channelled to the appointing authority, CAG, and Internal Auditor General.
10.	Other Institutions	Tengeru Institute of Community Development	<ul style="list-style-type: none"> The committee consists of eight members, contrary to the audit committee charter, which requires a minimum of three and a maximum of five members. Seven out of eight members of the audit committee are from the management team.
11.	Other Institutions	Bunda Water Supply and Sanitation Authority	<ul style="list-style-type: none"> Audit Committee has not been established contrary to the requirement of Reg. 30 of the Public Finance Regulation, 2001 [R.E 2004].

SN	Category	Entity	Deficiencies
12.	Other Institutions	Mugumu Urban Water Supply and Sanitation Authority	<ul style="list-style-type: none"> Audit Committee has not been established contrary to the requirement of Reg. 30 of the Public Finance Regulation, 2001 [R.E 2004].
13.	RS	Dodoma Regional Secretariat	<ul style="list-style-type: none"> Composition of the committee is not in line with the requirement of Reg. 30, 31 and 32 of the PFR.
14.	RS	Kigoma Regional Secretariat	<ul style="list-style-type: none"> Inadequate training to the audit committee members The Committee did not sign a conflict-of-interest declaration forms and acknowledge acceptance of appointment contrary to Para 3.15 of Audit Committee Guideline, 2019
15.	RRH	Temeke RRH	<ul style="list-style-type: none"> Audit Committee has not been established contrary to the requirement of Reg. 30 of the Public Finance Regulation, 2001 [R.E 2004].
16.	RRH	Singida RRH	<ul style="list-style-type: none"> Audit Committee has not been established contrary to the requirement of Reg. 30 of the Public Finance Regulation, 2001 [R.E 2004].
17.	RRH	Benjamin Mkapu Hospital	<ul style="list-style-type: none"> The committee did not conduct any meetings for two consecutive years, i.e. 2019/20 and 2020/21 due to the non-appointment of new audit committee members since expiration of their tenure on 19 July, 2019.
18.	RRH	Bukoba RRH	<ul style="list-style-type: none"> The audit committee did not conduct any meeting during the financial year 2020/21.

Appendix X: Entities with Deficiencies of Internal Audit Function

SN	Category	Entity	Deficiencies
MDA's - VOTE			
1.	Agency	Agency for the Development of Educational Management (ADEM).	For more than eight years, the agency internal audit unit has one out of four required staff.
2.	Agency	National Food Reserve Agency (NFRA).	The agency did not implement all of its planned activities due to insufficient budget allocation.
3.	Agency	TEMESA	<ul style="list-style-type: none"> Some of Internal Audit planned activities were not implemented due to insufficient fund released. Insufficient number of staffs, the unit has only four staffs out of eight required staffs.
4.	Agency	Agricultural Seed Agency	<ul style="list-style-type: none"> In financial year 2020/21, the agency had only one auditor, who later retired on July

SN	Category	Entity	Deficiencies
			18, 2021.
5.	Agency	RUWASA	<ul style="list-style-type: none"> Inadequate number of Internal Audit staffs Insufficient fund to execute planned activities
6.	Vote 98	Ministry of Works and Transport.	<ul style="list-style-type: none"> Insufficient financial resources Insufficient number of staff, the unit has only six out of nine required staff.
7.	Vote 52	Ministry of Health	<ul style="list-style-type: none"> Non-implementation of internal auditor's recommendations: out of 69 recommendations, only 25 were implemented. Inadequate number of staffs, only 6 of the 30 required auditors are present.
8.	Other Institutions	Jitegemee JKT Secondary School	<ul style="list-style-type: none"> Inadequate training to internal audit staff. Lack of appropriate facilities to discharge their duties smoothly. Inadequate staffs, only one staff is available.
9.	Other Institutions	Lake Victoria Basin water board	The Basin has not established its own internal audit functions
10.	Other Institutions	Prisons Corporation Sole	<ul style="list-style-type: none"> Inadequate number of staff, unit has only one staff out of five required Lack of appropriate facilities including; computers, stationeries etc.
11.	Other Institutions	Suma JKT	<ul style="list-style-type: none"> Shortage of 8 staff, Management needs 14 staff while only 6 staff are available. Lack of appropriate facilities, for example; computers, motor vehicle and stationeries to discharge their duties properly Inadequate training to the internal audit staff
12.	Other Institutions	Tengeru Institute of Community Development	<ul style="list-style-type: none"> Inadequate number of staff, the Internal Audit Unit has only two staffs out of four. Inadequate training to auditors on applicable systems i.e., TANEPS and Insufficient budget.
13.	Other Institutions	Bunda Water Supply and Sanitation Authority	Internal audit unit has not been established contrary requirement of the Public Finance Regulation, 2001 [R.E 2004].
19.	Other Institutions	Mugumu Urban Water Supply and Sanitation Authority	Internal audit unit has not been established contrary requirement of the Public Finance Regulation, 2001 [R.E 2004].
14.	RS	Dodoma Regional Secretariat	Dodoma Regional Secretariat had only two internal auditors out of three required staffs.
15.	RS	Iringa Regional Secretariat	Inadequate training to auditors on applicable systems i.e. MUSE and TANEPS Insufficient budget.
16.	RS	Songwe Regional Secretariat	Insufficient number of staffs.

SN	Category	Entity	Deficiencies
17.	RRH	Temeke Regional Referral Hospital	<ul style="list-style-type: none"> Inadequate number of staff, the Internal Audit Unit has only one staff Internal Audit Unit does not have budget allocation to perform its functions.
18.	RRH	Singida Regional Referral Hospital	The hospital is yet to establish the internal audit unit
19.	RRH	Mbeya Zonal RH	No proof that the hospital internal audit is in place and execute its responsibilities
20.	RRH	Mbeya Regional Referral Hospital	The hospital is yet to establish the internal audit unit due to shortage of staffs
21.	RRH	Iringa Regional Referral Hospital	The hospital is yet to establish the internal audit unit
22.	RRH	Njombe Regional Referral Hospital	Absence of Internal Audit Function within the Hospital
23.	RRH	Mirembe Hospital	<ul style="list-style-type: none"> Insufficient human and financial resources. Inadequate training to update skills and competency to the available staffs.

Appendix XI: Entities with Anomalies on Risk and Fraud Management Process

SN	Category	Entities	Anomalies noted
Risk Management			
1.	Agency	National College of Tourism	<ul style="list-style-type: none"> No Risk Management Framework
2.	Vote 35	National Prosecution Services (NPS)	<ul style="list-style-type: none"> No Risk Management Register, which indicates threats according to severity.
3.	Other Institutions	Prisons Corporation Sole	<ul style="list-style-type: none"> No Risk Management Unit in place contrary to Circular No. 12 of 2013 from the MoF.
4.	Other Institutions	Town Planners Registration Board	<ul style="list-style-type: none"> There is no Risk Management Framework.
5.	Other Institutions	Private Hospital Advisory Board	<ul style="list-style-type: none"> Absence of risk management unit
6.	Vote 59	Law Reform Commission	<ul style="list-style-type: none"> Outdated Risk Management Register which indicates threats to the commission.
7.	Vote 93	Immigration Services Department	<ul style="list-style-type: none"> The Department is yet to establish a Risk Management Framework.
8.	Vote 24	Tanzania Cooperative Development Commission	<ul style="list-style-type: none"> Absence of a risk management assessment Framework.
9.	RRH	Mwananyamala RRH	<ul style="list-style-type: none"> There is no risk management policy.
10.	RRH	Katavi RRH	<ul style="list-style-type: none"> There is no risk management policy.
11.	RRH	Mbeya Zonal Referral Hospital	<ul style="list-style-type: none"> There is no Risk Management Unit in place, contrary to Circular No. 12 of 2013 from the MoFP
12.	RRH	Mbeya Regional Referral Hospital	<ul style="list-style-type: none"> There is no Risk Management Unit in place, contrary to Circular No. 12 of 2013 from the MoFP.
13.	RRH	Iringa RRH	<ul style="list-style-type: none"> The hospital did not perform formal risk assessments.

SN	Category	Entities	Anomalies noted
			<ul style="list-style-type: none"> There is no documented procedures on responses to the identified risks. No capacity building for the staff on risk management.
14.	RRH	Benjamin Mkapa Hospital (BMH)	<ul style="list-style-type: none"> The hospital is yet to establish a Risk Management Framework.
15.	RRH	Maweni Regional Referral Hospital	<ul style="list-style-type: none"> No risk management policy
16.	RRH	Mirembe Hospital	<ul style="list-style-type: none"> The hospital has not yet established a risk management framework. No Risks Management Policy and Risks Register.
Fraud Management			
1.	RS	Tanga RS	<ul style="list-style-type: none"> There is no documented process for identifying and responding to fraud risk. A fraud policy has not been established.
2.	Other Institutions	Private Hospital Advisory Board	<ul style="list-style-type: none"> Absence of risk management unit
3.	Vote 96	Ministry of Information, Culture, Arts and Sports	<ul style="list-style-type: none"> There is no documented and approved fraud detection plan. There is no fraud risk register.



Appendix XII: Details on Approved Estimates, Exchequer issues and Actual Recurrent expenditures for MDs and RAS

VOT E	MINISTRIES	Approved Estimates	Exchequer Issued and Received	Actual Expenditures	(Under)/Over Release	Unutilized Funds/(Over utilization)
26	Vice President	9,462,318,040	9,361,454,044	9,358,018,494	(100,863,996)	3,435,550
31	Vice President's Office	13,178,492,800	12,453,766,940	11,947,923,957	(724,725,860)	505,842,984
34	Foreign Affairs & Inter. Cooperation	180,558,620,177	150,460,507,546	150,510,727,544	(30,098,112,631)	(50,219,998)
37	Prime Minister's Office	23,146,214,693	20,269,502,839	20,269,502,839	(2,876,711,854)	-
41	Constitutional and Legal Affairs	13,144,090,647	11,974,189,594	11,942,538,757	(1,169,901,053)	31,650,837
43	Agriculture, Food Security & Cooperative	65,469,618,840	60,129,632,187	59,893,580,676	(5,339,986,653)	236,051,511
44	Ministry of Industry, Trade and Investment	28,072,882,674	26,946,540,104	26,614,079,532	(1,126,342,570)	332,460,572
45	National Audit Office	68,876,995,000	66,871,715,293	66,871,715,293	(2,005,279,707)	-
46	Education and Vocational Training	515,420,340,355	513,534,416,113	510,326,629,282	(1,885,924,242)	3,207,786,831
48	Lands and Human Settlement	116,073,536,079	115,850,659,899	115,850,659,899	(222,876,180)	-
49	Water and Irrigation	28,436,639,386	27,180,358,413	26,686,411,634	(1,256,280,973)	493,946,779
50	Finance	78,163,929,499	75,747,124,187	71,436,249,015	(2,416,805,312)	4,310,875,172
51	Home Affairs	20,524,558,139	18,813,009,892	18,812,926,048	(1,711,548,247)	83,844
52	Health and Social Welfare	695,079,934,117	457,663,689,767	457,663,689,767	(237,416,244,350)	-
53	Community Development, Gender & Children	26,491,375,000	25,372,993,046	25,372,993,046	(1,118,381,954)	-
56	Regional Administration & Local Government	135,752,132,698	134,419,407,734	133,946,077,705	(1,332,724,964)	473,330,029
57	Defence and National Service	19,634,547,500	17,500,494,310	17,500,494,310	(2,134,053,190)	-
58	Energy	28,399,590,000	25,305,394,463	25,030,627,074	(3,094,195,537)	274,767,389

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VOT E	MINISTRIES	Approved Estimates	Exchequer Issued and Received	Actual Expenditures	(Under)/Over Release	Unutilized Funds/(Over utilization)
60	Ministry of Industry, Trade and Investment	23,786,198,996	22,808,355,945	22,512,818,214	(977,843,051)	295,537,731
62	Works, Transport and Communication -Transport	91,188,109,000	88,579,709,829	88,579,709,829	(2,608,399,171)	0
64	Ministry of Livestock Development and Fisheries-Fisheries	21,662,107,000	20,192,105,372	20,192,105,372	(1,470,001,628)	-
65	Labour, Employment & Youth Development	14,673,106,000	13,101,843,557	12,921,874,518	(1,571,262,443)	179,969,039
68	Works, Transport and Communication-Communication	6,115,553,251	6,020,813,909	6,016,383,570	(94,739,342)	4,430,339
69	Natural Resources and Tourism	87,753,013,835	81,275,620,742	81,269,472,613	(6,477,393,093)	6,148,129
96	Information, Culture and Sports	33,969,048,075	29,803,127,969	29,582,814,826	(4,165,920,106)	220,313,143
98	Works, Transport and Communication -Works	40,143,330,488	34,675,310,129	34,658,769,294	(5,468,020,359)	16,540,835
99	Livestock Development and Fisheries-livestock	28,684,894,316	27,715,164,181	27,671,199,521	(969,730,135)	43,964,660
100	Ministry Minerals	66,872,275,975	62,448,536,558	62,448,536,558	(4,423,739,417)	-
REGIONS						
36	Katavi	3,895,979,600	3,373,150,523	3,327,743,830	(522,829,077)	45,406,693
47	Simiyu	5,183,483,145	4,646,436,864	4,593,555,471	(537,046,281)	52,881,393
54	Njombe	4,272,918,000	4,080,094,333	4,080,094,333	(192,823,667)	-
63	Geita	5,490,136,525	5,412,608,882	5,412,608,882	(77,527,643)	-
70	Arusha	6,208,222,036	5,848,968,870	5,848,968,870	(359,253,166)	-
71	Pwani	6,422,940,770	6,406,566,941	6,394,965,182	(16,373,829)	11,601,759
72	Dodoma	7,728,399,087	6,796,338,898	6,796,338,898	(932,060,189)	-
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VOT E	MINISTRIES	Approved Estimates	Exchequer Issued and Received	Actual Expenditures	(Under)/Over Release	Unutilized Funds/(Over utilization)
73	Iringa	4,886,875,000	4,461,024,715	3,910,771,837	(425,850,285)	550,252,878
74	Kigoma	4,967,129,672	4,370,574,327	4,344,320,001	(596,555,345)	26,254,326
75	Kilimanjaro	5,908,294,000	5,651,138,730	5,340,769,606	(257,155,270)	310,369,124
76	Lindi	4,715,321,000	4,660,252,341	4,628,953,341	(55,068,659)	31,299,000
77	Mara	5,389,007,750	5,235,588,878	4,715,516,388	(153,418,872)	520,072,490
78	Mbeya	5,067,917,000	4,610,384,121	4,608,784,121	(457,532,879)	1,600,000
79	Morogoro	7,333,640,927	7,076,412,076	7,033,834,077	(257,228,851)	42,577,999
80	Mtwara	7,423,878,372	7,504,474,004	7,492,969,210	80,595,632	11,504,794
81	Mwanza	6,914,027,692	5,577,180,564	5,564,446,473	(1,336,847,128)	12,734,091
82	Ruvuma	6,250,851,000	5,908,921,000	5,908,921,000	(341,930,000)	-
83	Shinyanga	4,509,099,400	4,129,528,517	4,129,528,517	(379,570,883)	-
84	Singida	5,252,475,420	4,662,463,791	4,662,463,791	(590,011,629)	-
85	Tabora	6,614,204,556	5,102,328,647	4,871,550,732	(1,511,875,909)	230,777,915
86	Tanga	6,994,034,070	6,372,251,827	6,371,872,864	(621,782,243)	378,963
87	Kagera	5,440,984,800	4,768,064,101	4,768,064,101	(672,920,699)	-
88	Dar es Salaam	4,942,146,000	4,781,436,517	4,781,436,517	(160,709,483)	-
89	Rukwa	4,657,474,000	3,911,916,768	3,906,612,369	(745,557,232)	5,304,399
90	Songwe	4,102,868,790	3,712,661,967	3,700,390,714	(390,206,823)	12,271,253
95	Manyara	4,785,658,694	4,548,168,706	4,544,017,629	(237,489,988)	4,151,077
COMMISSIONS						
2	Teachers Service Commission	14,773,473,000	13,253,415,018	13,253,415,018	(1,520,057,982)	-
3	National Land Use and Planning Commission	3,164,768,000	2,616,941,401	2,616,941,401	(547,826,599)	-

VOT E	MINISTRIES	Approved Estimates	Exchequer Issued and Received	Actual Expenditures	(Under)/Over Release	Unutilized Funds/(Over utilization)
4	PO Records and Archive management	3,080,084,715	2,996,096,612	2,996,096,612	(83,988,103)	-
5	National Irrigation Commission	5,466,739,647	4,239,206,822	4,236,274,350	(1,227,532,825)	2,932,472
7	Treasury Registrar	372,637,646,453	357,944,372,260	357,756,398,580	(14,693,274,193)	187,973,680
9	Secretariat of Public Remuneration Board	1,590,615,836	1,259,376,776	1,244,011,031	(331,239,059)	15,365,745
10	Joint Finance Commission	2,864,382,308	2,720,661,817	2,638,000,350	(143,720,491)	82,661,468
12	Judiciary Commission Service	2,405,224,576	2,191,703,684	2,190,642,849	(213,520,892)	1,060,835
13	Financial Intelligent Unit	2,915,586,000	2,794,103,250	2,610,957,120	(121,482,750)	183,146,130
15	Commission for Mediation and Arbitration	4,195,076,000	4,021,743,711	4,021,743,710	(173,332,289)	1
18	UNESCO Commission	2,239,181,000	1,870,935,341	1,839,882,624	(368,245,659)	31,052,717
24	Cooperative Development Commission	9,608,846,000	8,525,363,416	8,483,636,057	(1,083,482,584)	41,727,359
55	Human Rights & Governance	6,323,636,000	5,928,300,000	5,926,483,412	(395,336,000)	1,816,588
59	Law Reform Commission	2,266,783,541	2,212,131,667	2,182,108,912	(54,651,874)	30,022,755
61	Electoral Commission	6,294,805,000	5,915,629,904	5,908,931,094	(379,175,096)	6,698,810
91	Drugs Control Commission	9,588,243,705	8,531,289,561	8,515,781,378	(1,056,954,144)	15,508,183
92	Tanzania Commission for AIDS (TACAIDS)	3,486,641,800	3,393,737,102	3,393,057,492	(92,904,698)	679,610
94	Public Service Commission	6,712,122,734	6,080,865,403	6,071,823,026	(631,257,332)	9,042,377
DEPARTMENTS WITHIN RESPECTIVE MINISTRIES						
14	Fire and Rescue Force	35,660,396,492	32,026,058,892	32,020,264,325	(3,634,337,600)	5,794,567
16	Attorney General	7,191,931,809	6,419,492,933	6,400,255,731	(772,438,876)	19,237,202
19	Office of Solicitor General	10,608,622,546	8,444,640,036	8,333,998,522	(2,163,982,510)	110,641,514
20	President's Office_State House	24,049,003,000	24,056,305,100	24,056,305,100	7,302,100	-
21	The Treasury	750,946,645,290	656,133,733,441	647,189,771,407	(94,812,911,849)	8,943,962,034

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VOT E	MINISTRIES	Approved Estimates	Exchequer Issued and Received	Actual Expenditures	(Under)/Over Release	Unutilized Funds/(Over utilization)
22	Public Debt and General Services	10,061,693,311,857	9,359,337,029,644	9,355,336,943,053	(702,356,282,213)	4,000,086,591
23	Accountant General's Office	63,128,690,995	57,849,329,605	55,063,027,201	(5,279,361,390)	2,786,302,404
25	Prime Ministers	10,136,622,945	9,848,454,232	9,831,556,927	(288,168,713)	16,897,305
27	Registrar of Political Parties	24,794,742,692	24,794,654,692	23,159,189,026	(88,000)	1,635,465,666
28	Home Affairs - Police Force	612,855,616,631	606,646,101,176	602,565,921,404	(6,209,515,455)	4,080,179,772
29	Prisons (Ministry of Home Affairs)	194,484,756,121	193,544,364,971	193,354,473,682	(940,391,150)	189,891,289
30	President Office and Cabinet Secretariat	481,917,569,196	481,676,702,329	481,676,289,080	(240,866,867)	413,249
32	President's Office - Public Service Management	33,271,665,920	31,646,403,653	31,598,660,822	(1,625,262,267)	47,742,831
33	President's office Ethics Secretariat	7,623,148,600	7,286,041,092	7,217,761,351	(337,107,508)	68,279,741
35	Public Prosecution Division	23,764,087,596	22,238,928,992	22,135,964,642	(1,525,158,604)	102,964,350
38	Defence	1,662,496,140,254	1,660,420,307,946	1,660,420,307,946	(2,075,832,309)	-
39	The National Service	366,978,269,840	361,707,627,666	361,707,627,666	(5,270,642,174)	-
40	Judiciary	115,113,043,332	113,731,224,297	113,731,224,297	(1,381,819,035)	-
42	National Assembly	113,567,647,000	107,962,676,191	107,962,676,191	(5,604,970,809)	-
67	Public Service Recruitment Secretariat	4,748,588,000	4,499,251,976	4,499,167,638	(249,336,024)	84,338
93	Immigration Department	65,547,670,470	65,241,849,220	64,970,870,229	(305,821,250)	270,978,991
	TOTAL	17,756,283,446,787	16,562,091,433,300	16,526,746,469,195	1,194,192,013,487	35,344,964,104

Appendix XIII: Details on Approved Estimates, Exchequer issues and Actual Development expenditures for MDs and RAS

VOTE	MINISTRIES	Approved estimate (TZS)	Exchequer issue received (TZS)	Actual Expenditure (TZS)	(Under)/ Over release (TZS)	Unutilized Funds/ (Over utilization)
31	Vice President's Office	9,086,973,234	3,105,659,074	3,048,863,237	(5,981,314,161)	56,795,837
34	Foreign Affairs & Inter. Cooperation	20,000,000,000	4,269,632,775	2,974,512,660	(15,730,367,225)	1,295,120,115
37	Prime Minister's Office	27,844,036,942	7,416,295,238	7,416,295,238	(20,427,741,704)	-
41	Constitutional and Legal Affairs	8,566,318,000	1,081,710,803	1,080,780,265	(7,484,607,197)	930,538
43	Agriculture, Food Security & Cooperative	141,263,017,607	72,401,606,700	71,106,544,498	(68,861,410,907)	1,295,062,202
44	Ministry of Industry, Trade and Investment	59,322,823,117	46,431,418,215	46,431,418,215	(12,891,404,902)	-
45	National Audit Office	11,667,940,000	4,843,912,076	4,843,912,076	(6,824,027,924)	-
46	Education and Vocational Training	1,097,785,579,369	894,973,485,885	752,895,373,122	(202,812,093,484)	142,078,112,763
48	Lands and Human Settlement	85,475,674,867	12,743,950,089	12,743,950,089	(72,731,724,779)	-
49	Water and Irrigation	704,317,926,162	361,432,482,430	355,706,687,352	(342,885,443,732)	5,725,795,078
50	Finance	15,525,881,910	15,363,668,474	13,185,319,875	(162,213,436)	2,178,348,599
51	Home affairs	10,861,812,000	9,325,561,330	9,325,561,330	(1,536,250,670)	-
52	Health and Social Welfare	508,829,003,233	402,651,443,941	353,139,626,132	(106,177,559,292)	49,511,817,809
53	Community Development, Gender & Children	6,704,364,000	3,417,352,027	3,417,352,027	(3,287,011,973)	(10)
56	Regional Administration & Local Government	578,047,184,000	311,282,531,756	311,086,365,569	(266,764,652,244)	196,166,187
57	Defence and National Service	325,401,424,720	169,417,394,977	169,347,332,445	(155,984,029,743)	70,062,532

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VOTE	MINISTRIES	Approved estimate (TZS)	Exchequer issue received (TZS)	Actual Expenditure (TZS)	(Under)/ Over release (TZS)	Unutilized Funds/ (Over utilization)
58	Energy and Mineral	2,310,650,219,425	2,110,335,289,136	2,110,287,546,662	(200,314,930,289)	47,742,474
60	Ministry of Industry, Trade and Investment	39,531,600	39,531,600	33,265,800	-	6,265,800
62	Works, Transport and Communication - Transport	2,290,175,193,251	2,201,645,289,871	2,201,645,289,871	(88,529,903,380)	-
64	Ministry of Livestock Development and Fisheries-Fisheries	13,059,214,000	6,806,606,052	6,803,253,692	(6,252,607,948)	3,352,360
65	PO Labour, Youth, employment and Disability	311,383,962,564	309,867,842,501	308,862,504,901	(1,516,120,063)	1,005,337,600
67	President's Office- Public Service recruitment secretariat	141,631,077	141,631,077	141,631,077	-	-
68	Works, Transport and Communication- Communication	22,277,074,408	16,348,725,892	16,210,919,357	(5,928,348,516)	137,806,535
69	Natural Resources and Tourism	45,020,102,000	207,917,263	207,917,263	(44,812,184,737)	-
96	Information, Culture and Sports	8,364,972,315	8,353,672,315	8,335,265,884	(11,300,000)	18,406,431
98	Works, Transport and Communication -Works	1,847,586,781,000	1,660,845,426,558	1,660,844,212,384	(186,741,354,442)	1,214,174
99	Livestock Development and Fisheries-livestock	10,464,397,176	10,464,397,176	10,464,397,176	-	-
100	Ministry of Minerals	23,121,131,575	19,726,036,366	19,719,036,946	(3,395,095,209)	6,999,420
	REGIONS				-	-
36	Katavi	3,201,739,465	2,781,761,215	1,922,019,152	(419,978,250)	859,742,063

Controller and Auditor General

GR/CG/2020/21

VOTE	MINISTRIES	Approved estimate (TZS)	Exchequer issue received (TZS)	Actual Expenditure (TZS)	(Under)/ Over release (TZS)	Unutilized Funds/ (Over utilization)
47	Simiyu	4,236,021,145	902,666,487	902,666,487	(3,333,354,658)	-
54	Njombe	2,392,568,000	1,926,289,695	1,926,289,694	(466,278,305)	1
63	Geita	5,801,432,000	5,198,081,993	5,198,081,993	(603,350,007)	-
70	Arusha	1,849,819,000	1,259,186,818	1,259,186,818	(590,632,182)	-
71	Pwani	4,269,993,000	1,019,753,980	1,015,288,500	(3,250,239,020)	4,465,480
72	Dodoma	2,921,540,000	1,598,420,433	1,598,420,433	(1,323,119,567)	-
73	Iringa	2,186,431,000	919,184,097	808,515,502	(1,267,246,903)	110,668,595
74	Kigoma	5,640,130,946	1,154,328,623	1,153,943,390	(4,485,802,323)	385,233
75	Kilimanjaro	1,987,822,000	1,674,633,913	1,163,639,437	(313,188,087)	510,994,476
76	Lindi	2,543,022,000	1,876,676,986	1,839,112,986	(666,345,014)	37,564,000
77	Mara	2,182,633,571	1,521,147,939	1,281,275,046	(661,485,632)	239,872,893
78	Mbeya	4,785,041,000	3,209,393,594	3,209,393,594	(1,575,647,406)	-
79	Morogoro	3,077,353,000	2,758,213,166	2,758,213,165	(319,139,834)	1
80	Mtwara	1,606,852,000	1,449,101,629	1,449,101,629	(157,750,371)	-
81	Mwanza	12,681,608,708	9,985,166,011	5,914,483,058	(2,696,442,697)	4,070,682,953
82	Ruvuma	1,720,225,000	1,619,373,000	1,608,381,806	(100,852,000)	10,991,194
83	Shinyanga	3,177,836,611	1,674,172,371	1,674,172,371	(1,503,664,240)	-
84	Singida	2,545,816,980	1,268,146,595	1,268,146,595	(1,277,670,385)	-
85	Tabora	2,277,086,000	1,396,079,763	1,013,525,187	(881,006,237)	382,554,576
86	Tanga	4,028,677,000	3,371,789,360	1,753,930,837	(656,887,640)	1,617,858,523

Controller and Auditor General

GR/CG/2020/21

VOTE	MINISTRIES	Approved estimate (TZS)	Exchequer issue received (TZS)	Actual Expenditure (TZS)	(Under)/ Over release (TZS)	Unutilized Funds/ (Over utilization)
87	Kagera	3,520,602,000	1,522,186,542	1,522,186,542	(1,998,415,458)	-
88	Dar es Salaam	2,069,214,000	961,043,677	961,043,677	(1,108,170,323)	-
89	Rukwa	1,999,289,000	1,908,586,673	1,908,456,276	(90,702,327)	130,397
90	Songwe	4,674,000,000	3,631,369,334	3,628,147,189	(1,042,630,666)	3,222,145
95	Manyara	3,133,508,000	1,206,214,540	1,206,214,540	(1,927,293,460)	-
	COMMISSIONS					
2	Teacher Service Commission	500,000,000			(500,000,000)	-
3	National Land Use and Planning Commission	1,500,000,000	597,149,525	597,149,525	(902,850,475)	-
4	Records and Archives Management Department	2,053,247,002	570,471,766	570,471,766	(1,482,775,236)	-
5	National Irrigation Commission	12,801,180,000	8,759,203,388	8,680,166,510	(4,041,976,612)	79,036,878
7	Treasury Register	43,133,508,202	42,441,383,195	42,433,508,195	(692,125,007)	7,875,000
13	Financial Intelligent Unit	759,579,292	259,579,292	249,259,292	(500,000,000)	10,320,000
55	Human Rights & Governance Commission	672,021,000	626,293,500	626,293,500	(45,727,500)	-
61	National electoral commission	185,396,667,817	185,396,667,817	185,319,650,685	-	77,017,132
91	Drugs Control Commission	-	-	-	-	-
92	Tanzania Commission for AIDS (TACAIDS)	4,914,841,335	4,914,841,335	4,914,841,335	-	-
94	Public Service Commission	851,089,426	851,089,426	851,089,426	-	-

Appendix XIV: List of Companies with outstanding penalties

SN	OIL MARKETING COMPANY	CODE NUMBER 1302A - BILLED IN TZS	CODE NUMBER 1401 - BILLED IN USD	TOTAL OUTSTANDING AS AT 30 JUNE 2021	AMOUNT PAID UP TO 30 SEPTEMBER 2021	BALANCE AS AT 30 SEPTEMBER 2021
1	ACER PETROLEUM LTD	419,375,000	289,720,281	709,095,281	93,890,908	615,204,373
2	APEL PETROLEUM	-	4,287,466	4,287,466	-	4,287,466
3	ATN PETROLEUM	-	19	-	-	19
4	AUGUSTA ENERGY	-	10,796,007	10,796,007	-	10,796,007
5	CAMEL OIL T LTD	-	2,513,944,113	2,513,944,113	25,705,808	2,488,238,305
6	DALBIT PETROLEUM	-	5,856,133	5,856,133	5,855,697	437
7	ENGEN PETROLEUM/VIVO ENERGY	-	546,019,788	546,019,788	2,775,705	543,244,083
8	GAPCO TZ LTD	-	44,278,880	44,278,880	-	44,278,880
9	GBP TANZANIA LTD	193,581,024	1,840,484,240	2,034,065,263	-	2,034,065,263
10	HASS PETROLEUM	154,000,000	392,764,371	546,764,371	11,194,525	535,569,847
11	KOBIL TANZANIA	-	1,724,198	1,724,198	-	1,724,198
12	LAKE OIL LTD	61,500,000	1,705,015,847	1,766,515,847	87,614,259	1,678,901,589
13	MANSOOR INDUSTRIES LTD	-	7,471,523	7,471,523	7,471,523	1
14	MOGAS TZ LTD	604,000,000	2,366,841,692	2,970,841,692	40,179,325	2,930,662,367
15	MOUNT MERU PETROLEUM T LTD	107,250,000	109,298,392	216,548,392	12,943,141	203,605,251
16	OILCOM T LTD	296,200,041	193,757,472	489,957,514	37,494,280	452,463,234
17	ORYX OIL CO. LTD	-	6,437,013	6,437,013	6,437,004	9
18	PETROAFRICA T LTD	-	4,551,881	4,551,881	4,551,881	-
19	PETROFUEL T LTD	-	1,192,017	1,192,017	1,192,018	2
20	PUMA ENERGY T LTD	70,000,000	248,536,981	318,536,981	87,746,526	230,790,455
21	SAHARA ENERGY RESOURCES LTD	-	3,165,008	3,165,008	167,201	2,997,807
22	SOCIETRE PETROLIERE	-	504,725,005	504,725,005	6,971,551	497,753,454
23	STAROIL TZ LTD	-	7,248,992	7,248,992	-	7,248,992
24	TOTAL TANZANIA LTD	833,000	87,605,826	88,438,826	35,820,738	52,618,088
25	UKOD INTERNATIONAL	131,250,000	60,567,649	191,817,649	2,415,716	189,401,934
26	UNITED GROUP	-	57,487,019	57,487,019	1,618,746	55,868,273
27	OLYMPIC PETROLEUM TZ	-	163,401,263	163,401,263	-	163,401,263
28	BARREL PETRO	-	5,057,646	5,057,646	5,056,744	902
29	GLOBAL OIL TZ	-	269,105,881	269,105,881	-	269,105,881
30	AFROIL INVESTMENT LIMITED	329,000,000	-	329,000,000	621,953	328,378,047

31	AFROIL INVESTMENT		-	16,149,491	16,149,491	-	16,149,491
32	NATIONAL OIL T LTD		-	5,009,354	5,009,354	1,618,746	3,390,609
33	MUNIO PETROL STATION		-	2,873,665	2,873,665	-	2,873,665
34	ADMIRE OIL		-	14,511,348	14,511,348	2,349,751	12,161,597
35	TANOIL INVESTMENTS		-	27,529,687	27,529,687	-	27,529,687
	TOTAL		2,366,989,065	11,517,416,110	13,884,405,175	481,693,746	13,402,711,434



Appendix XV: Entities with Payments without Relevant and Adequate Supporting Documents

SN	Entity	Amount (TZS)
1	Judicial Service Commission (JSC)	11,836,999
2	Commission for Mediation and Arbitration	11,200,000
3	Office of Solicitor General	85,790,000
4	National Service	60,925,000
5	Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC) (Vote 52)	1,465,746,807
6	Ministry of Health, Community Development, Gender, Elderly and Children (Vote 53)	42,718,000
7	President Office, Regional Administration and Local Government	25,239,000
8	National Electoral Commission (NEC)	23,921,580
9	Ministry of Natural Resources and Tourism	31,271,000
10	Arusha Regional Secretariat	7,821,684
11	Iringa Regional Secretariat	7,570,000
12	Lindi Regional Secretariat	96,660,699
13	Mbeya Regional Secretariat	28,262,217
14	Mtwara Regional Secretariat	62,404,377
15	Shinyanga Regional Secretariat	4,323,840
16	Tanga Regional Secretariat	3,500,000
17	Dar es Salaam Regional Secretariat	167,155,840
18	Drugs Control and Enforcement Authority	24,950,000
19	Ministry of Information, Culture, Arts and Sports	2,200,000
20	Tanzania Airport Authority	78,147,530
21	Tanzania Electrical Mechanical and Electronics Services Agency (TEMESA)	382,614,619
22	Tanzania Veterinary Laboratory Agency (TVLA)	25,792,770
23	RUWASA Drilling Section (RUWASA-DS)	166,294,163
24	Association of Local Authorities of Tanzania	97,038,050
25	Dar Rapid Transit Agency (DART)	45,679,922
26	Registration, Insolvency and Trusteeship Agency (RITA)	40,408,000
27	Government Chemist Laboratory Authority	7,420,000
28	Bunda Water Supply and Sanitation Authority	27,353,670
29	Mpwapwa Urban Water Supply and Sanitation Authority (MPWUWSA)	5,790,426
30	National Fund for Antiquities	16,680,000
31	National Water Fund (NWF)	2,771,091,088
32	Road Fund PO-RALG	3,000,000
33	Constituencies Development Catalyst Fund (CDCF)	34,100,000
34	Maswa Water Supply and Sanitation Authority (Maswa WSSA)	42,473,700
35	Sengerema Urban Water Supply and Sanitation Authority	35,643,424
36	Mafinga Urban Water Supply and Sanitation Authority	32,855,302
37	Wanging'ombe Water Supply and Sanitation Authority	12,398,648
38	Information, Communication Technologies Commission (ICTC)	6,556,250
39	Tanzania Film Board	3,508,429
40	Town Planners Registration Board	2,928,000
41	SUMAJKT Construction Company	52,543,738
42	Optometry Council	3,574,317
43	Tengeru Institute of Community Development (TICD)	45,608,000

SN	Entity	Amount (TZS)
44	Mawenzi Regional Referral Hospital	57,543,188
45	Katavi Regional Referral Hospital	13,659,411
46	Mawenzi Regional Referral Hospital	2,220,000
47	Morogoro Regional Referral Hospital	94,262,299
48	Kibong'oto Infectious Diseases Hospital	80,674,418
	Total	6,351,356,405

Appendix XVI: Nugatory Payments

SN	Entity	Amount (TZS)	Remarks
1	President's Office - State House	7,348,732	Payment for penalty as a result of failure to remit monthly contributions of employer's contribution for staff to PSSSF from November 2011 to May 2018
2	Ministry of Industry and Trade	6,038,268	Amount paid to Public Service Social Security Fund as a penalty for delayed contributions
3	Ministry of Water	441,785,758	Payment in respect of storage cost claims from the Tanzania International Containers Terminal Services Limited (TICTS) amounting to USD 199,498 equivalents to TZS 466,426,324 in respect of delays in clearing imported materials for Contractors (M/s Shanxi Construction Engineering Corporation and Mineral Co. Ltd), implementing water supply and sanitation projects at Kigoma and Lindi.
4	Kilimanjaro Regional Secretariat	3,577,663	TZS 3,577,663 was paid to PSSSF being penalty imposed due to delayed remittance of statutory contributions to PSSSF.
5	Ministry of Livestock and Fisheries	5,571,055	Penalty for delay to remit statutory contributions to PSSSF relating to two staff.
6	Dodoma Regional Secretariat	10,318,180	Penalty for delay to remit statutory contributions to PSSSF relating to two staff.
7	Mwanza Regional Secretariat	2,413,516	Penalty due to delay of settlement of members' contributions to PSSSF
8	Fisheries Education and Training Agency (FETA)	5,540,120	Penalty for delay to remit statutory contributions to PSSSF relating to two staff.
	Total	482,593,292	

Appendix XVII: Unbudgeted Payments

SN	Entity	Category	Amount (TZS)
1	Iringa Regional Secretariat	73	22,543,414.00
2	Songwe Regional Administrative Secretariat	90	70,413,028.00
3	Ministry of Health, Community Development, Gender, Elderly and Children	53	113,928,862.00
4	Arusha Regional Secretariat	70	71,233,639.00
5	Singida Regional Secretariat	84	7,175,452.00
6	Mwanza Regional Secretariat	81	39,024,294.00
7	Ministry of Finance and Planning	50	518,957,677
8	Tanzania Forest Fund	Fund	8,106,000.00
9	Temeke Regional Referral Hospital	RRH	14,482,360.00
10	Tumbi Regional Referral Hospital	RRH	311,578,463.00
11	Mawenzi Regional Referral Hospital	RRH	48,050,000.00
12	Katavi Regional Referral Hospital	RRH	30,894,262.00
13	Ligula Regional Referral Hospital	RRH	4,450,000.00
14	Tanzania Forest Services Agency	Agency	11,853,000.00
15	Rural Water Supply and Sanitation Agency (RUWASA)	Agency	3,734,146,430.00
16	Health Laboratory Practitioners Council	Other Institution	14,840,965.00
17	Jitegemee Secondary School	Other Institution	149,835,000.00
18	Local Government Training Institute	Other Institution	975,319,839.55
19	Tengeru Institute of Community Development (TICD)	Other Institution	23,181,100.00
Total			6,170,013,785.55

Appendix XVIII: Irregular Payments

SN	Entity	Category	Amount (TZS)	Nature of irregularity
1	UNESCO National Commission	18	23,180,000	1. Payments of communication allowances of TZS 5,150,000 to staff who are not entitled Payments of TZS 16,430,000 to interns that were not budgeted. 2. School fees of TZS 1,600,000 for none UNESCO staff
2	Office of Solicitor General	19	106,200,000	3. Payment of monthly house rent allowances to staff who are not qualifying for house allowance
3	Commission for Mediation and Arbitration	15	32,236,970	Payments were paid for special allowances and honorarium not related to E- case management system that was being developed.
4	Immigration Services Department	93	10,664,279.50	The contractor was paid TZS 15,234,685 instead of TZS 4,570,405.50 as advance payment for the proposed rehabilitation of immigration building at Gamba Zanzibar.
5	Drugs Control and Enforcement Authority	91	71,681,971	On top of the risk allowance which is paid monthly, a total amount of TZS 71,681,971 has been paid to DCEA staff in respect of risk allowance at a rate of TZS. 50,000 per day when travelling out of their working station for various official duties including attending trainings, meetings, workshops.
6	Dodoma Regional Secretariat	72	16,244,903	Dodoma Regional Secretariat made payment of TZS 16,244,903 for maintenance of vehicle. I noted no evidence that the user of the vehicle requested for the said maintenance and was not approved by Transport Officer or the Mechanical Engineer
7	Tanga Regional Secretariat	86	8,850,000	Funds were used for activities not related to development which was the purpose of the funds received.
			323,286,405	The payment was used for payment of supplies and consumables, per diems and honorariums for activities not related to monitoring and supervision of projects which were carried out by Tanga Regional Secretariat

SN	Entity	Category	Amount (TZS)	Nature of irregularity
8	Prisons Service Department	29	67,694,919	TZS 67,694,919 was spent by Morogoro Regional Prison Officer for the construction of the commuter bus stand at Kihonda area which was abandoned due to disputes with Morogoro Municipal Council on the ownership of the land and absence of building permit for the commuter bus project. The funds were supposed to be used for construction of military barracks, facilities and structures
9	Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC)	52	4,939,575	Payment for fuel that were noted to be issued to eight grounded motor vehicles
10	Geita Regional Secretariat	63	76,421,341.30	A total of TZS 76,421,341.30 was paid from Deposit Account to cater for various activities not related to the purpose for which the money was deposited.
11	Lindi Regional Secretariat	76	50,321,282	An amount of TZS 50,321,282 was spent for activities which were not related to burial expenses of the late president without approval from Ministry of Finance-Treasury who released that fund. The funds were used to finance several allowances, maintenance costs of motor vehicles that were not used in the funeral ceremony, purchase of furniture for RAS Office, moving expenses and payment of extra duties. Out of total amount of TZS 45,000,000 received, TZS 4,880,000 was used to finance recurrent activities instead of the intended development activities
12	Ruvuma Regional Secretariat	82	42,237,360	The Secretariat did not recover payments worth TZS 42,237,360 made to various Secretariat officials who were supposed to attend good neighbourhood conference in Mozambique from 17 to 20 May 2021 but failed to travel.

SN	Entity	Category	Amount (TZS)	Nature of irregularity
13	Office of Attorney General	16	82,800,000	Payment of monthly house rent allowances to staff who are not qualifying for house allowance.
14	Dar es Salaam Regional Secretariat	88	15,448,000	Extra duty allowances were paid using half per diem instead of rates approved by President's Office Public Service Management, thus, resulted to excess payment of TZS 15,448,000.
15	SUMA JKT Construction Company Ltd	Other Institution	31,047,771.18	SUMAJKT construction Company transacted with various suppliers and service providers who are not VAT registered but yet charged VAT, hence resulting into potential loss of Government revenue to the tune of TZS 31,047,771.18 in form of taxes, contrary to Value Added Tax Act, 2014.
			195,291,400	Payments were made contrary to the agreed contract terms. Those includes, payments before finishing works, payments made before starting the project works. There was also payment that was made before the contract is concluded. This creates a risk that the works agreed may not be adequately completed.
16	Property and Business Formalization Program (MKURABITA)	Other Institution	13,877,418.78	The fund which was unspent in the financial year 2019/20 were utilized during 2020/21 for loan recovery to NMB activities instead of sensitization on formalization of land use.
17	Road Fund PO-RALG	Fund	16,276,276	Road Fund money was spent to perform activities which were not related to road fund activities and not included in the budget. Expenditures made include investigation of own source vandalism in Korogwe Town Council and payment to maintain vehicle which is neither used nor belong to the Road Fund.

SN	Entity	Category	Amount (TZS)	Nature of irregularity
18	Rural Supply Sanitation Agency (RUWASA)	Agency	42,894,000.00	TZS 42,894,000 was paid from payment by results (PbR) funds to cater to the fund's various unintended expenditure
19	Sokoine Regional Referral Hospital	RRH	8,960,000	Payment of TZS 8,960,000 related to housing and telephone allowance were paid to staff without approval of Permanent Secretary Public Service Management and Good Governance (Establishments)
Total			1,245,433,872	



Appendix XIX: Payments made using Wrong Accounting Codes

SN	Entity	Category	Amount (TZS)
1	Vice President's Office	31	29,643,971
2	Prime Minister's Office	37	76,687,128
3	Tabora Regional Secretariat	85	25,816,687
4	Manyara Regional Secretariat	95	13,498,300
5	Shinyanga Regional Secretariat	83	72,363,500
6	Dar es Salaam Regional Secretariat	88	142,516,709
7	Pwani Regional Secretariat	71	21,252,619
8	Office of Attorney General	16	22,394,876
9	President Office, Regional Administration and Local Government	56	2,608,616,820
10	Ministry of Communication and Information Technology	68	312,258,000
11	Ministry of constitutional and legal Affairs	41	159,665,019
12	Drugs Control and Enforcement Authority	91	45,551,427
13	Dodoma Regional Secretariat	72	339,658,321
14	Songwe Regional Secretariat	90	35,276,375
15	Fire and Rescue Force	14	5,586,000
16	Tanzania Forest Services Agency	Agency	38,798,432
17	President's Office-Tanzania Public Service College	Agency	67,960,000
18	Igunga Urban Water Supply and Sanitation Authority (IGUWASA)	NWSSA	108,668,500
19	Temeke Regional Referral Hospital	RRH	173,967,850
20	Mawenzi Regional Referral Hospital	RRH	68,081,700
21	Bukoba Regional Referral Hospital	RRH	3,250,200
22	Shinyanga Regional Referral Hospital	RRH	27,900,327
23	Tengeru Institute of Community Development (TICD)	Other Institution	45,077,653
24	Pharmacy Council	Other Institution	125,577,034
Total			4,570,067,448

Appendix XX: Entities made Payments without demanding EFD Receipts

SN	Entity	Category	Amount (TZS)
1	Office of Vice President	26	19,537,200
2	President's Office - Cabinet Secretariat	30	18,096,000
3	Vice President's Office	31	6,106,915
4	Ministry of Industry and Trade	44	9,944,000
5	Ministry of Natural Resources and Tourism	69	213,699,198
6	Ministry of Information, Culture, Arts and Sports	96	10,814,170
7	Kigoma Regional Secretariat	74	88,848,977
8	Songwe Regional Secretariat	90	210,213,177
9	National Electoral Commission (NEC)	61	42,340,537
10	Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC)	52	66,612,625
11	President Office, Regional Administration and Local Government	56	422,745,851
12	Tabora Regional Secretariat	85	9,200,955

SN	Entity	Category	Amount (TZS)
13	Arusha Regional Secretariat	70	50,245,969
14	Ruvuma Regional Secretariat	82	178,253,396
15	Simiyu Regional Secretariat	47	18,029,667
16	President's Office - Public Service Management and Good Governance	32	3,175,000
17	Dar es Salaam Regional Secretariat	88	94,756,656
18	Mtwara Regional Secretariat	81	16,990,170
19	Tanzania Electrical Mechanical and Electronics Services Agency (TEMESA)	Agency	504,876,298
20	National College of Tourism	Agency	17,714,643
21	TANROADS	Agency	193,603,518
22	e Government Authority	Agency	44,810,032
23	Eastern Africa Statistical Training Centre	Agency	3,786,489
24	Association of Local Authorities of Tanzania	Agency	15,734,500
25	President's Office-Tanzania Public Service College	Agency	161,786,267
26	Tanzania Rural and Urban Roads Agency (TARURA)	Agency	23,232,235
27	Dar Rapid Transit Agency (DART)	Agency	13,895,674
28	Tanzania Building Agency	Agency	450,237,087
29	Kawawa JKT Secondary School	Other Institution	14,859,300
30	Pasiansi wildlife Training Institute	Other Institution	218,674,244
31	Forest Industries Training Institute	Other Institution	103,020,106
32	Local Government Training Institute	Other Institution	38,587,149
33	Tanzania Institute of Accountancy	Other Institution	15,858,600
34	Ardhi Institute Morogoro (ARIMO)	Other Institution	4,838,000
35	Mawenzi Regional Referral Hospital	RRH	15,461,983
36	Geita Regional Referral Hospital	RRH	188,001,411
37	Amana Regional Referral Hospital	RRH	32,522,915
38	Kibong'oto Infectious Diseases Hospital	SH	163,263,173
Total			3,704,374,087

Appendix XXI: Entities which did not Withhold Taxes

SN	Entity	Category	Amount (TZS)
1	UNESCO National Commission	18	2,100,000
2	Vice President's Office	31	12,372,323
3	Ministry of Natural Resources and Tourism	69	3,063,075
4	National Electoral Commission (NEC)	61	71,028,638
5	Ministry of Livestock and Fisheries	99	24,768,923
6	President Office, Regional Administration and Local Government	56	2,571,930
7	Tabora Regional Secretariat	85	4,423,462
8	Geita Regional Secretariat	63	45,394,108
9	Lindi Regional Secretariat	76	16,327,399
10	Ruvuma Regional Secretariat	82	3,263,005
11	Mwanza Regional Secretariat	81	25,738,466

SN	Entity	Category	Amount (TZS)
12	Rural Water Supply and Sanitation Agency (RUWASA)	Agency	22,379,905
13	Tanzania Veterinary Laboratory Agency (TVLA)	Agency	12,786,525
14	President's Office-Tanzania Public Service College	Agency	2,646,050
15	Pasiansi wildlife Training Institute	Other Institution	6,294,000
16	Forest Industries Training Institute	Other Institution	1,968,176
17	SUMAJKT Auction Mart Company Limited	Other Institution	359,645
18	SUMA JKT Garments Company Limited	Other Institution	34,270,655
19	Tanzania Automotive Technology Centre (TATC)	Other Institution	3,259,088
20	Chato Zonal Hospital	ZRH	1,587,600
21	Igunga Urban Water Supply and Sanitation Authority (IGUWASA)	NWSSA	7,639,366
22	Constituencies Development Catalyst Fund (CDCF)	Fund	2,531,148
23	Tanzania Revenue Authority - Expenditure	TRA	439,315,965
Total			746,089,452

Appendix XXII: List of Entities with unretired imprests

SN	Entity	Amount (TZS)
1	Commission for Mediation and Arbitration (CMA)	8,700,000
2	Prison Services	99,654,000
3	Vice President's Office	26,600,000
4	Prime Minister's Office	140,357,118
5	Prime Minister's Office, Parliamentary affairs, Policy, Coordination, Labour, Youth, Employment and Persons with Disability	6,346,400
6	Drugs Control and Enforcement Authority	48,361,285
7	Ministry of Minerals	67,860,000
8	Judiciary of Tanzania	420,950,797
9	Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC) (Vote 52)	190,805,297
10	President Office, Regional Administration and Local Government	17,449,550
11	National Land Use Planning Commission	1,530,578
12	Lindi Regional Secretariat	27,583,100
13	Shinyanga Regional Secretariat	1,396,280.00
14	Tanzania Airport Authority	64,246,033
15	Tanzania Rural and Urban Roads Agency (TARURA)	49,696,500
16	Geological Survey of Tanzania (GST)	6,261,000
17	National College of Tourism	7,980,600
18	e Government Authority (eGA)	8,000,000
19	President's Office-Tanzania Public Service College	20,200,000
20	Road Fund PO-RALG	3,830,000
21	Nelson Mandela African Institution of Science and Technology (NM-AIST)	217,867,600
22	Ardhi Institute Morogoro (ARIMO)	1,382,988,619.20
23	Forest Industries Training Institute	37,047,998
24	Institute of Judicial Administration (IJA)	27,010,214
25	Rural Energy Agency and Fund	360,185,874

SN	Entity	Amount (TZS)
26	Local Government Training Institute	125,086,410
27	Private Health Laboratory Board	12,624,539
28	Bukoba Regional Referral Hospital	5,793,000
29	Morogoro Regional Referral Hospital	25,576,600
30	Temeke Regional Referral Hospital	9,550,000
Total		3,421,539,392.2

Appendix XXIII: Fuel Consumed not Properly Accounted

SN	Entity	Category	Amount (TZS)
1	President's Office-Records and Archives Management Department	4	49,878,000.00
2	National Service	39	123,820,158.00
3	Immigration	93	18,697,688.00
4	National Land Use Planning Commission	3	12,131,020.78
5	Ministry of Health, Community Development, Gender, Elderly and Children	53	12,217,074.00
6	President's Office Public Service Recruitment Secretariat	67	3,993,550.00
7	Treasury Department	21	13,241,590.00
8	Tabora Regional Secretariat	85	24,038,932.00
9	Manyara Regional Secretariat	95	16,246,751.00
10	Singida Regional Secretariat	84	16,384,655.00
11	Office Of Foreign Affairs and East African Cooperation	1003	31,782,200.00
12	Tanzania Airport Authority	Agency	9,442,500.00
13	Tanzania Electrical, Mechanical and Services Agency (TEMESA)	Agency	23,593,675.00
14	Tanzania Meteorological Agency (TMA)	Agency	2,745,170.00
15	Tanzania Building Agency (TBA)	Agency	3,958,025.00
16	TaSUBa	Agency	783,740.00
17	Benjamin Mkapa Hospital	SH	1,656,470.00
18	Kibong'oto Infectious Diseases Hospital	SH	6,634,550.00
19	Singida Regional Referral Hospital	RRH	10,921,770.00
20	Mawenzi Regional Referral Hospital	RRH	6,042,000.00
21	Musoma Regional Referral Hospital	RRH	17,077,545.00
22	Shinyanga Regional Referral Hospital	RRH	42,319,832.00
23	SUMAJKT Construction Company	Other Institution	36,843,801.00
24	Tanzania Film Board	Other Institution	5,420,000.00
25	Tengeru Institute of Community Development	Other Institution	5,323,360.00
26	Bunda water Supply and Sanitation Authority	NWSSA	12,432,950.00
Total			507,627,006.78

Appendix XXIV: Staff Shortage in Central Government Entities.

SN	Name of the Entity	Required	Available	Shortage
Ministries and Departments				
1.	Tanzania Commission for AIDS -Vote 92	109	79	30
2.	The Commission for Human Rights and Good Governance (CHRAGG)-Vote 55	151	124	27
3.	Ministry of Education, Science and Technology -Vote 46	4,531	4,195	336
4.	Vice President's Office-Vote 31	237	149	88
5.	Prisons Service Department-Vote 29	37,363	12,765	24,598
6.	Office of Solicitor General -Vote 19	312	145	167
7.	Teachers' Service Commission -Vote 2	394	73	321
8.	Prime Minister's Office, Parliamentary affairs, Policy, Coordination, Labour, Youth, Employment and Persons with Disability -Vote 65	712	361	351
9.	Drugs Control and Enforcement Authority-Vote 91	282	108	174
Other Institutions				
10.	Mbeya Regional Referral Hospital	655	304	351
11.	Veterinary Council of Tanzania	12	7	5
12.	Institute of African Leadership for Sustainable Development (UONGOZI Institute)	23	22	1
13.	Town Planners Registration Board	27	18	9
14.	Tanzania Gemmological Centre	42	15	27
15.	Prisons Corporation Sole	663	375	288
16.	Mining Commission	610	474	136
17.	The Law School of Tanzania	115	54	61
18.	Information, Communication Technologies Commission	54	12	42
19.	RUWASA DS	97	15	82
20.	Ardhi Institute Tabora	77	37	40
21.	Nelson Mandela African Institution of Science and Technology	346	234	112
22.	Handeni Water Supply and Sanitation Authority	34	11	23
23.	Eastern Africa Statistical Training Centre	97	67	30
24.	Mineral Resources Institute	138	79	59
25.	Water Institute	151	94	57
26.	Association of Local Authorities of Tanzania	26	7	19
27.	National Land Use Planning Commission	179	74	105
28.	Tanzania Livestock Research Institute	450	197	253
29.	Tunduma Water Supply and Sanitation Authority	20	1	19
30.	Mzinga Corporation	812	437	375
31.	Tanzania Automotive Technology Centre	281	253	28

SN	Name of the Entity	Required	Available	Shortage
32.	Government Chemist Laboratory Authority	406	279	127
33.	Taasisi ya Sanaa na Utamaduni Bagamoyo	93	62	31
34.	Medical Council of Tanganyika	7	2	5
35.	Traditional and Alternative Health Practice Council	26	6	20
36.	Amana Regional Referral Hospital	681	373	308
37.	Iringa Regional Referral Hospital	689	366	323
38.	Chato Regional Referral Hospital	1,412	182	1,230
39.	Simiyu Regional Referral Hospital	468	170	298
40.	Mwananyamala Regional Referral Hospital	686	368	318
41.	Katavi Regional Referral Hospital	662	154	508
42.	Bukoba Regional Referral Hospital	681	275	406
43.	Geita Regional Referral Hospital	681	257	424
44.	Maweni-Kigoma Regional Referral Hospital	464	233	231
45.	Lake Nyasa Basin	104	26	78
46.	Occupational Safety and Health Authority	337	127	210
47.	Bunda Water Supply and Sanitation Authority	31	27	4
48.	Mpwapwa Urban Water Supply and Sanitation Authority	36	27	9
Agencies				
49.	Agency for the Development of Educational Management	90	65	25
50.	Registration of Insolvency and Trusteeship Agency	362	201	161
51.	Government Procurement Services Agency	56	17	39
Regional Secretariats				
52.	Tanga Regional Secretariat	10	5	5
53.	Singida Regional Secretariat	331	160	171

Appendix XXV: List of Staff Claims not paid

SN	Entity Name	FY 2020/21	FY 2019/20
Ministries and Departments			
1.	President's office and cabinet-Vote 30	1,333,325,740.00	1,259,075,740.00
2.	Tanzania Police Force-Vote 28	94,454,020,156.00	94,740,452,031.00
3.	Tanzania Cooperative Development Commission (TCDC)-Vote 24	1,288,574,217.00	1,288,574,217.00
4.	Ministry of Health, Community Development, Gender, Elderly and Children-Vote 52	11,939,806,900.00	7,832,174,000.00
5.	Tanzania Peoples Defence Force-Vote 38	202,713,501,828.92	174,572,948,345.79
6.	Prisons Service Department-Vote 29	81,122,088,951.00	13,831,283,999.00

SN	Entity Name	FY 2020/21	FY 2019/20
7.	Fire and Rescue Force-Vote 14	1,446,775,343.00	1,619,362,892.16
8.	National Irrigation Commission-Vote 5	1,023,232,163.00	1,114,373,485.00
9.	Immigration Services Department-93	2,530,489,152.00	5,877,963,795.00
10.	Ministry Of Livestock and Fisheries-Vote 64	1,192,972,187.00	1,104,262,887.00
11.	Judiciary-Vote 40	873,925,702.00	2,171,457,022.00
12.	Ministry of Information, Youth, Culture and Sports-Vote 96	153,777,976.00	53,903,485.00
13.	Ministry of Home Affairs-Vote 51	601,681,271.00	601,681,271.00
14.	PO - Regional Administration and Local Government-Vote 56	372,400,000.00	908,624,954.00
15.	Ministry of National Resources and Tourism-Vote 69	598,643,596.00	667,203,264.00
16.	Ministry of Lands, Housing and Human Settlements Development-48	133,864,200.00	1,645,726,628.00
17.	President's office Ethics Secretariat-Vote 33	117,670,390.00	102,208,054.00
18.	Ministry of Health, Community Development, Gender Elders and Children -Vote 53	134,248,781.00	134,248,781.00
19.	Ministry of Energy-Vote 58	933,503,853.00	933,503,853.00
20.	Prime Minister's Office - Labour, Youth, Employment and Persons with Disability-Vote 65	311,694,441.00	627,295,985.00
Other Institutions			
21.	National Identification Authority (NIDA)	1,367,085,000.00	1,187,026,000.00
22.	Nelson Mandela African Institution of Science and Technology	2,629,703,635.00	2,085,872,635.30
23.	Dodoma Region Referral Hospital	1,354,554,170.28	1,303,625,774.00
24.	Tanzania Revenue Authority (TRA)	3,125,069,334.00	2,107,242,165.00
25.	Mining Commission	1,446,658,376.00	1,496,635,076.00
26.	Tanzania Airports Authority (TAA)	138,410,308.00	108,738,399.00
27.	Mbeya Zonal Referral Hospital (ZRH)	192,900,000.00	766,686,200.00
28.	SUMAJKT GUARD	1,237,066,000.00	317,423,000.00
29.	Benjamin Mkapa Hospital	175,972,040.00	202,907,167.96
30.	Mount Meru Regional Referral Hospital	214,066,800.00	120,605,000.00
31.	Tanzania Forest Services (TFS)	426,243,201.79	397,920,046.40
32.	Drugs Control and Enforcement Authority (DCEA)	231,337,880.00	239,446,000.00
33.	Mineral Resources Institution (MRI)	495,112,676.00	409,554,675.73
34.	Tanzania Livestock Research Institute (TALIRI)	308,723,000.00	311,121,000.00

SN	Entity Name	FY 2020/21	FY 2019/20
35.	Tanzania Agricultural Research Institute (TARI)	157,487,333.00	216,952,067.00
36.	Tanga Regional Referral Hospital	266,495,000.00	261,263,400.00
37.	Water Institute (WI)	446,545,253.00	604,155,328.00
38.	Local Government Training Institute (LGTI)	329,906,193.00	318,339,281.00
39.	National land Use Planning Commission	105,426,405.00	105,926,405.00
40.	Tanzania Wildlife Management Authority	100,855,002.00	120,346,292.00
41.	Mawenzi Regional Referral Hospital	374,912,200.00	282,958,200.00
42.	Simiyu Regional Referral Hospital	159,102,604.00	154,212,604.45
43.	Mzinga Corporation	114,519,030.00	170,746,000.00
44.	Tanzania Automotive Technology Center	180,725,000.00	132,806,000.00
45.	Government Chemist Laboratory Authority	518,295,128.00	515,354,193.00
46.	Maweni-Kigoma Regional Referral Hospital	101,261,000.00	11,690,000.00
47.	Mirembe Hospital & Isanga Institution (Specialized)	424,592,400.00	523,750,000.00
48.	Musoma Regional Referral Hospital	503,313,888.00	431,084,020.00
49.	Sokoine-Lindi Regional Referral Hospital	135,294,000.00	176,822,340.00
50.	Songwe Regional Referral Hospital	160,173,000.00	93,838,100.00
51.	Tabora Regional Referral Hospital	266,170,672.76	117,157,100.00
52.	SekouToure Mwanza Regional Referral Hospital	246,959,120.00	173,413,120.00
Agencies			
53.	Tanzania Electrical, Mechanical and Services Agency (TEMESA)	214,145,603.00	233,829,100.00
54.	Agency for Development of Education Management (ADEM)	110,150,450.00	103,750,260.00
55.	National Food Reserve Agency (NFRA)	114,845,742.89	85,134,392.89
56.	Tanzania Government Flight Agency (TGFA)	254,393,691.15	362,838,216.60
57.	Weights and Measures Agency (WMA)	363,313,390.15	161,394,670.00
58.	Tanzania Roads Agency (TANROADS)	586,639,000.00	553,886,000.00
59.	Dar es Salaam Rapid Transit Agency (DART)	618,587,598.00	1,187,500.00
Regional secretariats			
60.	Manyara Regional Secretariat	221,126,691.00	154,394,000.00
61.	Mara Regional Secretariat	229,125,643.00	151,221,643.00
62.	Mwanza Regional Secretariat	542,512,676.00	481,745,093.00
63.	Dodoma Regional Secretariat	531,500,430.99	483,322,705.06
64.	Mbeya Regional Secretariat	300,243,994.00	196,330,764.00

SN	Entity Name	FY 2020/21	FY 2019/20
65.	Kilimanjaro Regional Secretariat	382,183,734.00	188,177,408.00
66.	Arusha Regional Secretariat	406,802,127.00	608,707,931.00
67.	Geita Regional Secretariat	100,021,337.80	175,885,852.81
68.	Katavi Regional Secretariat	373,043,743.00	250,091,037.00
69.	Lindi Regional Secretariat	889,263,755.00	746,665,649.00
70.	Manyara Regional Secretariat	221,126,691.00	154,394,000.00
71.	Njombe Regional Secretariat	143,293,000.00	119,571,067.00
72.	Rukwa Regional Secretariat	348,062,801.00	741,881,165.00
73.	Ruvuma Regional Secretariat	752,832,056.00	689,375,164.00
74.	Simiyu Regional Secretariat	396,247,360.00	382,191,360.00
75.	Tanga Regional Secretariat	272,820,966.00	272,820,966.00
76.	Iringa Regional Secretariat	216,472,133.00	299,465,582.00
Total		429,799,887,112	334,150,203,805

Appendix XXVI: List of Staffs Acting for More Than Six Months

SN	Name of the Entity	No. of Staff Acting	Acting Period (Months)
Ministries and Departments			
1.	Ministry of information, culture, arts and sports-Vote 96	3	11-80
2.	Tanzania Commission for AIDS -Vote 92	1	60
3.	United Nations Educational, Scientific and Cultural Organization -Vote 18	3	12-15
4.	Commission for Mediation and Arbitration -Vote 15	6	12-32
5.	Ministry of Water -Vote 49	6	10-26
6.	Drugs Control and Enforcement Authority-Vote 91	7	7-9
7.	National Electoral Commission-Vote61	1	17
8.	Ministry of Livestock and Fisheries -Vote 99	10	7-29
9.	Accountant General's Department -Vote 23	11	12-36
10.	Office of Solicitor General	3	14
11.	National Irrigation Commission-Vote 5	6	10-37
Other Institutions			
12.	The Law School of Tanzania	3	9-27
13.	Roads Fund Board (RFB)	1	11
14.	National Identification Authority (NIDA)	14	12-19
15.	Taasisi ya Sanaa na Utamaduni Bagamoyo (TasuBa)	1	96
16.	Eastern Africa Statistical Training Centre	1	9
17.	Water Institute	3	8-27
18.	Association of Local Authorities of Tanzania	4	20-37
19.	Local Government Training Institute	11	26-80
20.	Tanzania Livestock Research Institute	14	6-18
21.	Tunduma Water Supply and Sanitation Authority	1	9
22.	Tanzania Wildlife Management Authority	2	12-14
23.	Mafinga Urban Water Supply and Sanitation Authority	2	10-66
24.	Songwe Regional Referral Hospital	14	9-35
25.	Shinyanga Regional Referral Hospital	1	8

SN	Name of the Entity	No. of Staff Acting	Acting Period (Months)
26.	Kibaigwa Water Supply and Sanitation Authority	3	13-84
27.	Mpwapwa Urban Water Supply and Sanitation Authority	6	14-98
Agencies			
28.	Tanzania Government Flight Agency (TGFA)	4	12-32
29.	Registration of Insolvency and Trusteeship Agency (RITA)	3	55-77
30.	Tanzania Electrical Mechanical and Electronics Services Agency (TEMESA)	21	10-12
31.	Occupational Safety and Health Authority (OSHA)	13	3-130
32.	National Food Reserve Agency (NFRA)	11	11-55
33.	Agricultural Seed Agency (ASA)	8	2-21
34.	Livestock Institute and Training Agency (LITA)	14	6-20
35.	Rural Energy Agency (REA)	11	7-58
36.	Weights and Measures Agency (WMA)	8	9-20
37.	Tanzania Institute of Accountancy (TIA)	5	27
38.	Tanzania Rural and Urban Roads Agency (TANROADS)	24	6-46
39.	Tanzania Rural and Urban Roads Agency (TARURA)	24	6-50
40.	Tanzania Building Agency (TBA)	29	12-60
Regional Secretariats			
41.	Njombe Regional Secretariat	4	9-40

Appendix XXVII: Abandoned Assets - Dilapidated buildings

UDSM MRI DILAPIDATED HOUSES		
SN	House No	House Anomalies noted
1	VILLAGE 2	Mosquito gauze is not in order in windows, Pipes of sewage system have been broken,
2	VILLAGE 5	Mosquito gauze is not in order, No water in toilets
3	VILLAGE 6	No water services at the kitchen and toilets, Electricity wiring system not in order.
4	VILLAGE 7	poor sewage system, Mosquito gauze is not in order
5	VILLAGE 8	Poor sewage system
6	VILLAGE 10	Electricity faults one side of the house, House Roof is leaking, Mosquito gauze is not in order
7	VILLAGE 12	Wardrobe not in order, Mosquito gauze is not in order, Water not flowing
8	VILLAGE 13	Mosquito gauze is not in order poor drainage system, Electric switch socket for lighting outside not working
9	VILLAGE 15	Mosquito gauze is not in order
10	VILLAGE 16	Poor sewerage system, Mosquito gauze is not in order
11	VILLAGE 17	Mosquito gauze is not in order, Air conditions not working need service to be done, Water system not good
12	VILLAGE 18	Mosquito gauze is not in order, Water system not good and its water pipes broken, Ceiling board not in order and there several bats
13	VILLAGE 19	Sewage system is not in order and water not flowing in.
14	VILLAGE 20	Air conditions not working need Service to be done

UDSM MRI DILAPIDATED HOUSES		
SN	House No	House Anomalies noted
15	VILLAGE 21	Mosquito gauze is not in order
16	VILLAGE 22	Heating system not operating, Mosquito gauze is not in order
17	VILLAGE 24	Heating system not operating properly and when put on causes electric fault to the whole house, Mosquito gauze is not in order
18	VILLAGE 25	No water in this house
19	GREEN HOUSE No;1,2,4,5,6,7,8,9,10,11,12,13, 15, 16,17,18,19 and 20.	Plumbing in ten houses were damaged by ants. Roofing system for 8 houses not in order Poor water system for 18 houses
20	GOLDEN PRIDE HALL	Ceiling board not in good order with so many Bats and Bats discretional contaminated remnants
21	PETER GIUES DOMITORY	Windows are too small not providing good ventilation. Wardrobe not in order
22	CASPIAN No 1	Sewage system not in order, no water in the house due to broken water pipe lines as such there is leakage of water.
23	CASPIAN No 2	There is no water flowing in
24	CASPIAN No 3	Doors can't be opened/closed due to mortise-lock issue. Poor sewerage system
25	Guest houses	Deteriorated wall painting, Sewerage system is in not in order. Floor tiles not in order
26	All Caspian Houses	Sewerage system is in not in order and water leaks the roof.
27	All houses	Fridges, ACs, and water heaters for all houses have never been serviced since they were handed over to MRI, so they need service to be provided.
28	Village House -9 And 23	Deteriorated wall painting, Poor water system in the house and water flowing in. There is electricity fault in the house.
29	Village House no 11	Sewerage system not in good order.

SN	TANGA RRH - Dilapidated buildings	Current Status
1	Four buildings including Cliff Building, Physiotherapy Building, Hospital Store building and Dental Building	Conditions of the buildings is inhabitable but still in use.
SN	Mirembe Hospital	Current Status
1	10 Residential Houses	Conditions of the buildings is inhabitable but still in use.

Water Institute - Dilapidated buildings			
Asset Description	Purchase Date	Total Value of Assets (TZS)	Current status
10 two in one Residential Houses and its Plot No. 905 Block 'B' Tabata Area, Dar es Salaam City	01/07/2016	8,918,694,240	9 Residential Houses occupied, 1 House destructed by fire and plot not developed
Seven Residential Houses and its Plot No. 840 Block 'B',	01/07/2016	1,617,750,735	The house is occupied but

Kibangu Makuburi Area, Dar es Salaam			deteriorating, plots not developed
	Total	10,536,444,975	

Appendix XXVIII: Procured Assets not put in use

SN	Description	Date Received	Value (TZS)
Tanzania Forest Services Agency			
1	Reverse Osmosis Deionization Water Purification System	March, 2021	14,933,172.54
2	Electronic Balance	March, 2021	16,477,948.87
3	Laminar Flow Transfer Hood/Bench Clean	March, 2021	17,507,847.57
4	Biosafety Hood/Cabinet	March, 2021	8,238,998.34
5	Table Top Sterilizer/Autoclave	March, 2021	6,694,174.20
6	Table Top Sterilizer/139:145 Autoclave	March, 2021	12,873,422.96
7	Centrifuge (BENCH TOP)	March, 2021	19,052,671.71
8	Cryostat System	March, 2021	33,470,871.00
9	Scientific Laboratory Refrigerator	March, 2021	6,694,174.20
10	Vacuum Oven	March, 2021	7,003,158.15
11	Conventional Oven	March, 2021	4,315,647.58
12	Plant Growth Chamber (LARGE SIZE)	March, 2021	19,052,671.71
13	Plant Growth Chamber (SMALL SIZE)	March, 2021	29,866,297.27
14	Tiny Tag Plus 2 Loggers	March, 2021	19,773,543.20
15	Digital Vernier Caliper	March, 2021	1,441,829.49
16	Manual Dial Vernier Caliper	March, 2021	66,941.74
17	Dehumidifier Unit	March, 2021	6,179,248.76
18	Sand Sterilizer	March, 2021	2,471,680.38
19	Hot Plate /Magnetic Stirrer	March, 2021	1,812,591.11
20	PH Meter	March, 2021	1,750,765.63
21	Data Logging Thermo Thermometer	March, 2021	5,561,328.66
22	Water Bath (Laboratory Water Bath)	March, 2021	1,853,760.28
23	Fluorescent Magnifying Work Lamp	March, 2021	4,119,499.17
24	Stop Watch	March, 2021	257,486.63
25	Hand Tally (Digital)	March, 2021	205,989.30
26	Automatic Colony Counter	March, 2021	8,753,923.79
27	Seed Grinding Machine Manual	March, 2021	3,295,589.77
28	4d Stereomicroscope	March, 2021	8,753,923.79
29	Compact Bench Scales	March, 2021	4,943,408.57

TGS		Quantity	Condition
SN	Item Name		
1	Grinding Machine	16	Good
2	Sanding machine (large)	4	Good
3	Sanding machine (small)	1	Good
4	Tumbling Machine	1	Poor
5	Slab saw (small)	1	Good
6	Slab saw (large)	1	Good
7	Detail Machine	1	Good
8	Aluminum Cutting Machine	1	Good
SN	VT 33 ETHICS COMMISSION	Quantity	Date procured
1	Online Declaration System	1	FY 2019/20

LRC				
SN	Items	Quantity	Date procured	Amount (TZS)
1	Air condition	24	24/06/2019	56,400,000
2	Computer printers	3	24/06/2019	3,559,320
3	Desk top computer	20	24/06/2019	25,423,720
4	Photocopy machine	1	24/06/2019	2,542,372
5	Photocopy machine	1	24/06/2019	24,576,291

SN	Forestry Industries Training Institute (FITI)	Quantity	Date procured	Amount (TZS)
1	Semi-automatic finger joint machine size 6*10H having 9hp	1	FY 2019/20	15,930,000

MOUNT MERU RRH					
SN	Machine type	Date purchased	Cost (TZS)	Date not used up to date	Remarks
1	X ray Diagnostic machine.	2002	600,000,000	Jan-18	Partly used
2	Coagulation machine	2007	150,000,000	Feb-2020	Not used
3	Petrol 8 complete blood count born	2006	80,000,000	Jun-2021	Not used

SN	Kibongoto Hospital	Quantity	Date procured	Amount (TZS)
1	X-RAY MACHINE	1	Not indicated	Not known

SN	Sekou Toure RRH	Quantity	Date procured	Amount (TZS)
1	Dialysis MACHINE	5	25 August 2021	151,078,000

Appendix XXIX: Grounded Government Motor Vehicles, Plants and Equipment

SN	Entity	No of Vehicles
1	TEMESA	40
2	Vice President's Office (Vote 31)	6
3	Prime Minister's Office (PMO) (Vote 37)	8
4	Commission for Human Rights and Good Governance (Vote 55)	5
5	Ministry of Works, Transport & Communications- Communication Sector (Vote 68)	6
6	Prison Services - Vote 29	30
7	Mining Commission	9
8	Nelson Mandela Institute of Science and Technology	3
9	National Identification Authority (NIDA)	50
10	LRC	6
11	POPS	2
12	TANROADS	41
13	PWTI	7
14	Tanzania Peoples Defence Forces - Vote 38	20
15	Ministry of Livestock and Fisheries (Fisheries Sector) (Vote 64)	8

SN	Entity	No of Vehicles
16	Songwe RC	7
17	Ministry of Home Affairs (Vote 51)	7
18	LGTI	8
19	Tanzania Official Seed Certification Institute (TOSCI)	4
20	Ministry of Livestock and Fisheries (Livestock)-Vote 99	2
21	SUMA JKT Construction Company	11
22	Mawenzi RRH	5
23	DAR Rapid Transit Agency (DART)	4
24	LRBWB	4
25	Tanzania Building Agency (TBA)	6
26	Mafinga Urban Water and Sanitation Authority (MAUWASA)	3
27	TREASURY (Vote 21)	6
28	Accountant General (ACGEN) - Vote 23	1
29	ARUSHA RS	5
30	GEITA RS	3
31	NJOMBE RS	4
32	SIMIYU RS	4
33	SINGIDA RS	3
34	MoHCDGEC - VOTE 53	2
35	Prison Services (Vote 67)	2
36	MoHCDGEC - VT 52	87
37	LNBWB	1
38	TARURA	22
39	Geological Survey Tanzania	2
40	Ministry of Industry and Trade - Vote 44	1
41	Ministry of works, Transport and Communication- Vote 98	2
42	Tanzania Forest Services	25
43	Tanzania Wildlife Management Authority (TAWA)	24
44	Sekou Toure Regional Referral Hospital	1
45	Temeke RRH	13

Appendix XXX: Grounded Equipment

TEMEKE RRH GROUNDED EQUIPMENTS		
SN	Department	Instrument
1	Laboratory	Autoclave
2	Laboratory	Centrifuge
3	Laboratory	Centrifuge
4	Laboratory	Centrifuge
5	Theatre	Weighing Scale
6	Theatre	Suction Machine
7	Theatre	Anaesthesia Machine
8	Labour Ward	suction Machine
9	Labour Ward	Autoclave
10	Labour Ward	suction Machine
11	X-Ray Unit	Illuminator

12	X-Ray Unit	Mammograph
13	Ultrasound Unit	Ultrasound Machine

TFS		
TFS: Non-Disposal of Identified Assets		
SN	DESCRIPTION	Quantity
1	Loud Speaker	1
2	Panasonic Video Camera	1
3	Amplifier	1
4	Microphone	1
5	Computer Epson Desktop	2
6	Panasonic Plain Paper Fax	1
7	Photocopy Machine	1
8	Air Compressor Gauge	1
9	Air Compressor Single Phase	1
10	Refrigerator	5
11	Armed Chair	4
12	Office Chair	6
13	CPU HP Compaq	2
14	Monitor	2
15	Office Chair	5
16	Typing Machine	2
17	Photocopy Machine	1
18	Generator Elemax	1
19	Kodac Photocopy Machine	Several

Appendix XXXI: Institutions whose Procurements were not Competitive

SN	Category	Name of Institution	Value of Procurement (TZS)	Type of goods/services
1.	Vote	Teachers' Service Commission -VOTE 002	21,462,000.00	Computer equipment
2.	Vote	National Assembly	382,503,795.68	Various purchases
3.	Vote	Ministry of Constitutional and Legal Affairs (vote 41)	54,313,137.00	Various purchases
4.	Vote	Constituencies Development Catalyst Fund (CDCF) in Zanzibar	29,721,747.52	Various purchases
5.	Vote	Ministry of Foreign Affairs and East African Cooperation	295,373,171.00	Various purchases
Sub-total (Votes)			783,373,851.20	

SN	Category	Name of Institution	Value of Procurement (TZS)	Type of goods/services
6.	Water Authority	Maswa Water Supply and Sanitation	26,570,700.00	Procurement of water connection equipment
	Sub-total (Water Authorities)		26,570,700.00	
7.	RRH	Benjamin Mkapa Hospital	66,068,244.00	Various purchases
	Sub-total (RRH)		66,068,244.00	
8.	Agency	Tanzania Forest Service Agency	22,218,900.00	Various purchases
9.	Agency	Rural Water Supply and Sanitation Agency (RUWASA)	35,935,900.00	Procurement of local fundi
10.	Agency	Rural Water Supply and Sanitation Agency (RUWASA)	87,110,071.00	Goods and services
	Sub-total (Agencies)		145,264,871.00	
11.	Other Institution	Forest industries institute	17,785,186.44	Various purchases
12.	Other Institution	Eastern Africa Statistical Training Centre	5,252,000.00	Various purchases
13.	Other Institution	Medical Council of Tanganyika	122,207,329.60	Various purchases
14.	Other Institution	Mzinga Holding Co. Ltd	549,665,983.39	Various purchases
	Sub-total (Other Institutions)		694,910,499.43	
15.	RS	Songwe Regional Secretariat	114,717,748.00	Various purchases
16.	RS	Kigoma Regional Secretariat	5,143,200.00	Various purchases
17.	RS	Kilimanjaro Regional Secretariat	45,080,479.00	Various purchases
18.	RS	Tabora Regional Secretariat	14,000,000.00	Various purchases
19.	RS	Geita Regional Secretariat	1,504,114,140.00	Various purchases
20.	RS	Katavi Regional Secretariat	15,030,000.00	Various purchases
21.	RS	Simiyu Regional Secretariat	180,601,011	Various purchases
	Sub-total (Regional Secretariat)		1,878,686,578.00	
Total			3,594,874,743.63	

Appendix XXXII: List of Entities that made Procurements out of TANePs

SN	Entity's name	Category	No. contracts	Procurement amount (TZS)
1	TANROADS	Agency	8	68,407,843,457.24
2	Rural Water Supply and Sanitation Agency (RUWASA)	Agency	12	711,913,918.56
	Sub-total (Agencies)			69,119,757,375.80
3	Temeke Regional Referral Hospital	RRH	4	17,098,188.04
4	Songea Regional Referral Hospital	RRH	12	866,454,099.10
	Sub-total (RRH)			883,552,287.14
5	United Nations Educational, Scientific and Cultural Organization (UNESCO) National Commission- (VOTE 18)	Vote	4	88,240,568.16
6	Prisons Service Department (VOTE 29)	Vote	17	1,605,033,811.42
7	Ministry Of Home Affairs -VOTE 51	vote	2	765,215,134.89
8	President's Office Ethics Secretariat (VOTE 33)	vote	11	1,185,772,771.00
9	Prisons Service Department (VOTE 29)	Vote	5	1,605,033,811.42
10	Ardhi Institute Morogoro (vote 006)	Vote	Various	104,452,829.00
	Sub-total (Votes)			5,353,748,925.89
11	Arusha Regional Secretariat- (VOTE 70)	RS	Various	301,785,538.00
12	Mbeya Regional Secretariat	RS	Various	63,396,742.00
13	Katavi Regional Secretariat	RS	Various	189,351,587.66

SN	Entity’s name	Category	No. contracts	Procurement amount (TZS)
14	Ruvuma Regional Secretariat	RS	Various	202,695,900.00
15	Simiyu Regional Secretariat	RS	Various	1,495,100,487.00
	Sub-total (Regional Secretariat)			2,252,330,254.66
16	Mafinga Urban Water and Sanitation Authority	Water Authority	Various	13,755,052.00
	Sub-total (Water Authorities)			13,755,052.00
Total				77,623,143,895.49

Appendix XXXIII: List of Significantly Delayed Completion of Construction Projects

SN	Name of MDA	Category	Project Name	Project Cost (TZS)	Delay (Months)
1.	Ardhi Institute Tabora (ARITA)	Other Institution	Construction of Library for the Institute	2,026,538,726	72
2.	Suma JKT Construction Company	Other Institution	Various contracts agreement with different clients	25,416,742,361	8
	Sub-total (Other Institutions)			27,443,281,087	
3.	Livestock Training Agency (LITA)	Agency	Construction of Hostel Building at LITA Mpwapwa Campus	64,000,000	6
4.	Tanzania Building Agency (TBA)	Agency	Construction and rehabilitation work for various clients	3,617,507,359	12 to 48
5.	Rural Energy Agency And Fund (REA)	Agency	Supply and installation of distribution substations (11/33KV), medium and low voltage lines, transformers, and customers' connection in un-electrified rural areas in the Kilimanjaro region on a Turnkey basis (including design,	49,409,506,125	96

SN	Name of MDA	Category	Project Name	Project Cost (TZS)	Delay (Months)
			manufacture, test, deliver, install, complete and commission certain Facilities).		
6.	Rural Water Supply And Sanitation Agency (RUWASA)	Agency	Construction of water supply project at Hedaru - Same District	100,000,000	12
7.	Tanzania Roads Agency (TANROADS)	Agency	Upgrading of Njombe - Ndulamo - Makete Road (107.4KM) Lot 2: Moronga - Makete section (53.5km) Contract No. TRD/HQ/1055/2016/17	107, 085,360,088	12
8.	Tanzania Roads Agency (TANROADS)	Agency	Upgrading of Njombe - Ndulamo - Makete Road (107.4km) Lot 1: Njombe - Moronga section (53.9km) Contract no. TRD/HQ/1054/2016 /17	110,446,600,099	12
	Sub-total (Agencies)			163,637,613,583	
9.	President's Office Ethics Secretariat (VOTE 33)	Vote	Proposed design and construction of Head Quarters and Zonal Office - Ethics Secretariat	9,064,275,060	24
10	Ministry of Livestock And Fisheries - VOTE 99	Vote	Phase 1 construction of Buzirayombo Secondary Livestock Market and its associated works at Chato District in Geita Region	4,884,840,679	8
11	National Service - Vote 39	Vote	Construction of the various building at Military camps by using force account	3,737,349,288	90
	Sub-total (Votes)			17,686,465,027	

SN	Name of MDA	Category	Project Name	Project Cost (TZS)	Delay (Months)
12	Simiyu Regional Referral Hospital	RRH	Proposed construction of maternity and paediatric block	5,774,992,393	8
	Sub total			5,774,992,393	
GRAND TOTAL				214,542,352,091	

Appendix XXXIV: Procuring Entities with Unreported Micro Procurements to the Tender Board

SN	Name of Entity	Category	Procurement Value (TZS)
1.	Agency for Development Of Educational Management (ADEM)	Agency	69,549,442.00
	Sub-total (Agencies)		69,549,442.00
2.	Road Fund - PO-RALG	Fund	27,084,684.80
	Sub-total (Funds)		27,084,684.80
3.	Ministry of Home Affairs -VOTE 51	Vote	193,268,253.6
4.	Ministry Of Education, Science, And Technology - VOTE 46	Vote	99,460,990.00
5.	Ministry Of Communication and Information Technology (VOTE 68)	Vote	70,837,647.00
6.	National Electoral Commission (Vote 61)	Vote	4,379,795.76
7.	President's Office Regional Administration and Local Governments (Vote 56)	Vote	136,109,497.00
8.	Ministry of Foreign Affairs and East African Cooperation (Vote 34)	Vote	102,097,232.00
	Sub-total (Votes)		606,153,415.36
9	Mbeya Zonal Referral Hospital	RRH	281,188,095.00
10.	Mbeya Regional Referral Hospital	RRH	117,843,940.00
11.	Tumbi Regional Referral Hospital	RRH	11,808,441.00
12.	Geita Referral Hospital	RRH	29,519,238.00
13.	Dodoma Referral Hospital	RRH	46,793,720.00
14.	Iringa Referral Hospital	RRH	120,328,059.00
	Sub-total (RRH)		607,481,493.00
15.	Tanzania Nurses and Midwifery Council (TNMC)	Other Institution	56,355,392.51
16.	Water Institute	Other Institution	51,133,500.00
	Sub-total (Other Institutions)		107,488,892.51
Total			1,417,757,927.67

Appendix XXXV: List of MDAs that Executed Contracts without Performance Security

SN	Name of entity	Category	Value of procurement (TZS)
1.	National Food Reserve Agency (NFRA)	Agency	373,168,947.14
2.	Rural Energy Agency And Fund (REA)	Agency	7,433,641,638.00
3.	Ministry Of Livestock And Fisheries -(Vote 99)	Vote	31,151,000.00
4.	Tanzania Electrical Mechanical and Electronics Service Agency (TEMESA)	Agency	505,979,657.70
5.	Tanzania Veterinary Laboratory Agency	Agency	344,900,000.00
6.	Rural Water Supply and Sanitation Agency (RUWASA)	Agency	440,600,000.00
7.	Weights and Measure Agency	Agency	21,682,500.00
Sub-total (Agencies)			9,151,123,742.84
8.	National Assembly	Vote	1,473,039,562.02
9.	Geita Regional Secretariat	RS	1,504,114,140.30
Sub-total (Votes)			2,977,153,702.32
10.	Tanzania Airport Authority	Other Institution	13,594,500.00
11.	Mining Commission	Other Institution	4,069,855,737.00
12.	Eastern Africa Statistical Training Centre (EASTC)	Other Institution	2,321,063,027.88
Sub-total (Other Institutions)			30,661,068,155.2
Grand -total			18,532,790,710.04

Appendix XXXVI: List of Entities that Diverged from the Annual Procurement Plan

SN	Name of MDA/RS	Category	Observation	Amount (TZS)
1	Occupational Safety and Health Authority (OSHA)	Agency	Procurement of various goods not included in the a procurement plan	494,455,638
2	Tanzania Airports Authority	Agency	Variation between the estimated amounts indicated in the annual procurement plan and the actual amounts recorded in the contract register.	1,032,921,563
3	Agricultural Seed Agency (ASA)	Agency	Procurement not included in the respective Agency annual procurement plan and budget	23,260,500
Sub-Total (Agency)				1,550,637,701
4	Lake Victoria Basin Water Board	Water Basin	Procurement not included in the annual procurement plan	2,714,427,000
5	Ifakara Water Supply and	Water Authority	Procurement is not included in the annual procurement plan and budget	37,340,000

SN	Name of MDA/RS	Category	Observation	Amount (TZS)
	Sanitation Authority			
	Sub-Total (Water Authority)			2,751,767,000
6	Commission for Mediation and Arbitration (VOTE 15)	Vote	The Commission Changed Procurement Method without incorporating into the Annual Procurement Plan	86,880,836
7	Office of Solicitor General	Vote	The Office made payment of TZS 222,111,789 was made out of the annual Procurement Plan	222,111,789
8	Prime Minister's Office (VOTE 37)	Vote	The procurements were not in the annual procurement plan and budget	70,376,800
9	National Assembly	Vote	Procurement is not included in the annual procurement plan and budget	82,196,734
10	Ministry of Industry and Trade (Vote 60)	Vote	Non-preparation of Annual Procurement Plan	88,443,916
11	Ministry of Livestock (Fisheries Sector - Vote 64)	Vote	Procurement is not included in annual procurement plan and budget	308,745,936
12	President's Office Regional Administration and Local Governments - Vote 56	Vote	Procurement is not included in the annual procurement plan and budget	806,372,502
13	Ardhi Institute Morogoro (vote 006)	Vote	Non-preparation of Annual Procurement Plan	104,452,829
	Sub-Total (Votes)			1,769,581,342
14	SUMA JKT Guard Limited	Other Institution	Non-preparation of Annual Procurement Plan	222,111,789
15	Tanzania Wildlife Management Authority	Other institutions	Procurement not included in the annual procurement plan	70,376,800
	Sub-Total (Other institutions)			292,488,589
16	Kigoma Regional Secretariat	RS	Procurement is not included in the annual procurement plan and budget	88,443,916
	Sub-Total (Regional Secretariat)			88,443,916
17	Sumbawanga Regional	RRH	Proposed construction of Blood Bank Building	426,105,631

SN	Name of MDA/RS	Category	Observation	Amount (TZS)
	Referral Hospital			
18	Songwe Regional Referral Hospital	RRH	Proposed Construction Works for the Completion of The OPD Building	2,245,999,737
19	Shinyanga Referral Hospital	RRH	Procurement is not included in the annual procurement plan and budget	18,390,000
20	Tanga Referral RRH	RRH	TRRH implemented the construction of the Methadone Clinic building worth TZS 635,661,956.06 which was not included in the Annual Procurement Plan (APP)	635,661,956
21	Simiyu Regional Referral Hospital	RRH	Procurement beyond the plan	73,572,142
	Sub-Total (RRH)			3,399,729,466
Grand Total				9,852,648,014

Appendix XXXVII: List of MDAs and RS whose motor vehicles were not delivered by GPSA

SN	Name of MDA	Category	Un-delivered (TZS)
1.	Petroleum Bulk Procurement Agency (PBPA)	Agency	727,445,587.00
2.	National Identification Authority (NIDA)	Authority	641,662,658.60
3	Tanzania Revenue Authority	Authority	799,343,214.00
	Sub - total		2,168,451,459.60
3.	Livestock Training Agency (LITA)	Agency	184,693,826.32
4.	Rural Water Supply and Sanitation Agency (RUWASA)	Agency	160,415,665.00
5.	Tanzania Electrical and Mechanical and Electronics Agency	Agency	1,363,444,454.75
	Sub - total (Agency)		1,708,553,946.07
6.	Ministry Of Livestock and Fisheries - VOTE 99	Vote	55,550,000.00
7.	Ministry Of Information, Culture, Arts, and Sports - VOTE 96	Vote	733,804,058.69
8.	Ministry of Defence and National Service	Vote	236,213,589.29

SN	Name of MDA	Category	Un-delivered (TZS)
9.	Ministry of Health Community Development, gender, elderly and Children (MOHCDGEC) - Vote 52	Vote	1,034,912,174.81
10.	Ministry Of Natural Resources and Tourism (VOE 69)	Vote	1,235,671,756.98
11.	Ministry of Foreign Affairs and East African Cooperation (Vote 34)	Vote	916,289,839.40
	Sub - total (votes)		4,212,441,419.17
12.	Dodoma Regional Secretariat (VOTE 72)	RS	600,000,000.00
13.	Arusha Regional Secretariat- (VOTE 70)	RS	464,600,448.00
14.	Simiyu Regional Secretariat	RS	441,436,839.81
	Sub - total (Regional Secretariat)		1,506,037,287.81
15.	Mbeya Regional Referral Hospital	RRH	155,001,296.00
	Sub - total (RRH)		155,001,296.00
16.	Government Chemist Laboratory Authority	Other Institutions	320,831,329.00
17.	National Prosecutions Services	Other Institution	264,551,504.72
	Sub - total (Other Institution)		585,382,833.72
	Grand Total		10,335,868,242.37

Source: Individual CAG's management letters for the year 2020/2021

Appendix XXXVIII: List of Entities that made Procurement without Tender Board Approval

SN	Name of MDAs/RS	Category	Amount not approved (TZS)
1.	National Service - vote 39	Vote	98,975,000.00
2.	Ministry of Foreign Affairs and East African Cooperation	Vote	33,184,550.00
	Sub-total (Agencies)		132,159,550.00
3.	Tanzania Electrical Mechanical and Electronics Service Agency (TEMESA)	Agency	67,000,000.00
4.	Rural Water Supply and Sanitation Agency (RUWASA)	Agency	160,415,665.00
	Sub-total (Agencies)		227,415,665.00
5.	Internal Drainage Basin Water Board	Water Basin	214,239,715.00
6.	Sengerema Urban Water and Sanitation	Water authority	44,611,840.00
7.	Kibaigwa Water Supply and Sanitation Authority	Water authority	956,966,468.00
	Sub-total (Water Authorities)		1,215,818,023.00
8.	Dodoma Regional Secretariat	RS	46,793,720.00
9.	Iringa Regional Secretariat	RS	11,876,440.00
	Sub-total (RS)		58,670,160
10.	Mbeya Zonal Referral Hospital	RRH	528,480,441.00
11.	Amana Regional Referral Hospital	RRH	20,627,040.00
12.	Mbeya Regional Referral Hospital	RRH	359,659,733.00
13.	Njombe Regional Referral Hospital	RRH	431,935,231.57
14.	Benjamin Mkapa Hospital	RRH	96,429,350.00
15.	Mawenzi Regional Referral Hospital	RRH	61,280,522.00
16.	Mawenzi Regional Referral Hospital	RRH	159,362,522.00
17.	Mirembe Hospital	RRH	101,694,600.00
18.	National Land-Use Planning Commission	RRH	7,100,000.00
19.	Ministry of Defence and National Service (vote 57)	RRH	386,088,900.00
	Sub-total (RRH)		2,152,658,339.57
Total			3,786,721,737.57

Appendix XXXIX: List of MDAs whose Single-source Procurements had no Proper Justification

SN	Name of MDAs	Category	Nature of procurement	Amount (TZS)
1	Tanzania Airports Authority	Authority	Various	43,339,858.80
2	Mining Commission	Other institution	Various	4,069,855,737.00
3	Rural Water Supply And Sanitation Agency (RUWASA)	Agency	Various	50,578,784.00
4	Tanzania Wildlife Management Authority	Other institution	Construction of buildings for various projects	2,211,996,556.00
5	Simiyu Regional Referral Hospital	RRH	Supply fuel under a single-source arrangement.	76,646,628.00
6	Prime Minister's Office (VOTE 37)	Vote	Supply of Special VIP Multipurpose White Tents	121,800,000.00
7	Geita Regional Secretariat	RS	Construction of RC residential house	1,504,114,140.30
Total				8,078,331,704.10

Appendix XL: Accrued Interest due to the Contractor up to 31 December 2021

Project Name	Contract No	Project Description	Contract Sum (TZS)	Cumulative Interest (TZS)
Mkuti Irrigation	ME-012/2011-2012/DASIP/W/03 LOT 1	Construction/Upgrading of Mkuti Irrigation Scheme in Kigoma Rural District	675,678,550.00	163,458,224.77
Nyamitita Irrigation	ME-012/2011-2012/DASIP/W/64 LOT 1	Construction of Irrigation scheme at Nyamitita Village in Serengeti District	738,647,555.00	605,785,917.55
Sukuma Irrigation	ME-012/2011-2012/DASIP/W/54 LOT 4	Construction of Irrigation scheme at Sukuma Village in Sengerema District	790,620,140.00	212,349,378.38
Igence Irrigation	ME-012/2011-2012/DASIP/W/54 LOT 2	Construction of Irrigation scheme at Igence Village in Misungwi District	975,802,408.00	1,036,268,298.41
Masinono Irrigation	ME-012/2012-2013/DASIP/W/05 LOT 1	Construction of Irrigation scheme at Masinono Village in Musoma District	1,248,038,427.67	497,964,873.93
Total			4,428,787,080.67	2,515,826,693.04

Appendix XLI: List of MDAs that Failed to Deduct Liquidated Damages upon Fundamental Breach of Contracts.

SN	Name of the Agency	Category	Summary of Observation	Name of contractor	Contract amount (TZS)
1	Eastern Africa Statistical Training Centre (EASTC)	Other	EASTC had failed to claim any liquidated damages from the contractor due to non-performance of the contract (fundamental breach) agreement contrary to a specific condition clause 23 of the contract. The building was abandoned for nine years	M/s SIHA Enterprises Company Ltd	2,321,063,027.88
2	Rural Energy Agency and Fund (REA)	Agency	REA did not submit any evidence for justification whether there is an intention by REA to deduct liquidated damage from the contractor due to the delay	M/s Iran Power and Water Equipment and Services Export Company (SUNIR)	7,433,641,638.00
3	Rural Energy Agency and Fund (REA)	Agency	REA did not exercise its rights over the performance guarantee submitted by SPENCON and the rights on liquidated damages as per GCC sub-clause 26.2 and SCC 17, which allows a maximum liquidated damages equal to the amount of the performance guarantee	M/S Spencon Services Limited	49,409,506,125.17
4	PRESIDENT'S OFFICE-RECORDS AND	Vote	PO-RAMD failed to charge liquidated damages of TZS	M/s COSEKE Tanzania Ltd	496,221,100.00

SN	Name of the Agency	Category	Summary of Observation	Name of contractor	Contract amount (TZS)
	ARCHIVES MANAGEMENT DEPARTMENT (VOTE 04)		78,585,705 which is 0.1 percent of contract value per day arising from the delay in supply of the goods as per contract agreement contrary to Reg. 112 (1) & (2) of PUBLIC PROCUREMENT REGULATION, 2013 and clause 25.1 of GCC and clause 21 of SCC		
TOTAL					59,660,431,891.05

Appendix XLII: List of MDAs/RS whose Contracts were Terminated without Proper Justification

SN	Name of Institution	Category	Contract description	Reason for termination	Contract Price (TZS)
1.	Rural Energy Agency (REA)	Agency	Rural Energy Agency entered into a contract no. AE/008/2012-13/HQ/G/21-Lot 9 with M/S SPECON Services Limited for supply and installation of distribution substations	The contractor failed to execute the contract as agreed, (only 75% of the work), the employer decided to terminate the contract. However, there is no evidence that the assessment of work completed against the contract and the materials left at site for un-completed work and whether they were adequate to complete the project as per the contract.	49,409,506,125.17
2.	National Food Reserve Agency (NFRA)	Agency	Contract No AE/054/2015/2016/HQ/W/19 between NFRA and M/S Feerum S.A for installation, testing, and commissioning of Silos Complex and warehouses	There is still no mutual agreement between the two parties (Contractor and NFRA although there was a significant stoppage of the works to all sites for 28 days without any information as per	76,157,539,579.38

SN	Name of Institution	Category	Contract description	Reason for termination	Contract Price (TZS)
				clause 61.2(a) of the contract	
3.	Prisons Service Department (VOTE 29)	Ministry	Ministry of Home Affairs signed contract no. ME014/2020/21/PR/G/10 and ME014/2020/2021/PR/G/26 for the supply of various items to the prisons service department	Ministry of Home Affairs terminated all these contracts entered without indicating the reasons for termination on the termination letter sent to successful bidders	980,043,470.00
TOTAL					126,547,089,174.55

Appendix XLIII: Underutilisation, unserviceable and Non-function of Referral & Specialised Hospital's equipment and machines

SN	Name of Hospital	Observation	Details
Underutilization Medical equipment/machine			
1	Mbeya RRH	Underutilisation of Chemistry and Hormone Analyser (Architect ci4100) Machine	A physical verification conducted on 16 August 2021 noted that the machine was designed to perform 185 tests i.e. 87 tests for hormonal and 98 tests for chemistry. However, the machine currently performs three tests, namely Creatine, ASAT and ALAT, which is equivalent to 2 percent of utilization.
2	Mawenzi RRH	Underutilised equipment	It was noted that Abbot Architect CI 4000 Chemistry analyser is underutilised as the machine. It can perform more than 150 tests, but it is used for only three tests due to inadequate supply and unavailability of laboratory reagents.
Non-function of Hospital equipment and machines			
1	Mount Meru RRH	Unused Specialised Medical Equipment worth TZS 830,000,000	I noted in previous year procured specialised medical equipment were not put in use due to Technological Advancements that require changing the equipment from analogue to digital.
2	Mawenzi RRH	Procured Universal Anaesthesia Machine not Utilised	The machine was delivered on 07 December 2020, but up to the time of audit in August 2021 (8 months later), the machine was not yet put into use due to a delay in completing the Maternity Block building.
3	Geita RRH	Non-Functioning and Unrepaired Incinerator	During the audit, I noted that Geita Regional Referral hospital has no functioning high technological incinerator.

SN	Name of Hospital	Observation	Details
			The currently available incinerator is not functional for more than one month due to damage which is not yet repaired.
4	Chato ZRH	Non-Installation of DH 76 Auto Haematology Analyser Machines	Hospital procured and received two DH 76 haematology analyser machines from Medical Store Department to facilitate various operations of the Zonal Referral Hospital. The machines were neither installed nor put in use due to the absence of reagents.
5	Sokoine RRH	Delaying of Maintenance of Biochemistry Analyzer and Abandoned of Laboratory Machines.	Full blood picture machines with code number LD/SH/LB/P/01 ABX Pentra 8 installed on 01 October 2019 is not operational due to lack of reagents. Further, HB 1C Afinion blood sugar monitoring analyser machine serial number AF 20016491 is also not operational due to lack of reagent.
Unserviceable machine			
1	Mbeya RRH	Non-functioning and unrepaired incinerator	The currently available incinerator is not in use for six months now, due to damage of Chimney, chamber base and no repair has been made.
2	Benjamin Mkapa SH	Irregularities noted on Running of Boiling Machines	No service of the machine was conducted for three years. The Boiling section has no Rivers Osmosis machines responsible for cleaning water.
3	Singida RRH	Shortcomings in Services Provided by the Singida Regional Referral hospital Medical and Non-Medical Equipment, not in use	Oxygen concentrator found in Neonatal ICU and one Anaesthetic Machine located in the new hospital complex at Mandewa are not working. Also, CT - 1 Blood Bank Refrigerator no. 2, two anaesthetic machines, One multipara meter Biochemistry Model Architect Plus are not working due to lack of reagents The Elba Biochemistry machine installed in Department is not working since March 2021.
4	Tanga RRH	Inadequate Working Facilities at Tanga RRH	Non-functioning of Equipment, My physical verification and review of CHOP, noted several types of equipment which were not functioning
5	Dodoma RRH	Non-working X-Ray Machines	I noted that the hospital had three X-Ray machines installed. However, only one machine was working at the radiology department
6	Simiyu RRH	Non-functioning and unrepaired incinerator	During the audit, I observed a lack of a high-tech incinerator; meanwhile, the currently available incinerator is not in use due to

SN	Name of Hospital	Observation	Details
			breakdown and no repair has been made since June 2020.
7	Sokoine RRH	Delaying of Maintenance of Biochemistry Analyzer and Abandoned of Laboratory Machines.	<p>During site visit conducted in August 2021, I observed the following anomalies;</p> <p>Delayed maintenance of Biochemistry analyser machine Government bar code number 67332 serial number 20195 as the last maintenance was to be performed on 5 May 2019, up to the time of my audit in August 2021, the maintenance was not yet done.</p>
8	Shinyanga RRH	Overdue repair and maintenance of medical equipment	<p>Mortuary Refrigerators.</p> <p>I found six Refrigerators are not working for three years, and 8 Refrigerator's Torchers are not sliding smoothly, resulting in difficulties in putting and removal of dead bodies.</p> <p>ARCHTECH PLUS CI 405- The machine used to measure Hormones and chemistry is currently not working due to the absence of reagents.</p>

Source: Individual management letter 2020/21



Appendix XLIV: Abandoned Buildings and Slow Progress in the Construction of Regional Referral Hospital Buildings

SN	Name of RRH	Observation	Details
Abandoned buildings			
1	Katavi	Abandoned Construction of the Maternity Complex for a contract Worth TZS 9.12 billion	<p>The contract was entered on 25 May 2018 with a contract sum of TZS 9.12 billion, whereby the applied intended completion date of the project was on 09 July, 2020.</p> <p>Until the site visit conducted on 19th August, 2021, the contractor was already paid TZS 3.17 billion by the employer.</p> <p>The implementation of the project stopped since October, 2020 with the outstanding activities including roof structuring, roof covering and finishing activities, including decorations and services installations due to Inadequacy flow of fund from the Employer (MoHCDGEC) to the project Contractor as well as Change in initial building design from maternity services to general services.</p>
Slow Progress in the Construction of Hospital Buildings			
1	Mbeya	Delayed completion of theatre and sterilisation (CSSD) block and surgical wards TZS 1,277,436,310.42	<p>On 25 April 2020, the Ministry of Health, Community Development, Gender, Elderly and Children entered into a contract No.ME/007/2019/2020/HQ/W505F with Tanzania Building Agency to construct theatre and sterilisation (CSSD) block and surgical wards at Mbeya Regional Referral hospitals with a contract sum of TZS 1.28 VAT inclusive. The contract was estimated to end on 25 December 2020 (8 months)</p> <p>During the site visit on August 2021, I Observed the progress was at 75%, while the contract time had lapsed.</p> <p>This anomaly was caused by a delay in the revision of drawings and delivery of site materials.</p>
2	Shinyanga	Delayed Completion of Construction of COVID 19 Containment Centre.	<p>Ministry of Health Community Development, Gender, Elderly and Children entered into contract No ME/007/2020/2021/HQ/W/1/LOT NO.2 with MCB and Company to construct COVID 19 Containment Centre.</p> <p>However, physical verification and review of documents at the time of audit (August 2021) noted construction is yet to be completed with a significant number of pending issues while the construction contract expired on 30 June 2021.</p> <p>The existence of heavy rainfall from January to March 2021 caused the noted anomaly.</p>

SN	Name of RRH	Observation	Details
3	Simiyu	Delayed Completion of proposed construction of maternity and paediatric block Worthing TZS 2.34 billion	On 29 June 2019 Ministry of Health, Community Development, Gender, Elderly and Children entered into contract No. ME/007/2018-2019/HQ/13 with National Service Construction \Department (SUMA JKT) worth TZS 5.77 billion in respect of proposed construction of maternity and pediatric block. During the site visit on 14 August 2021, I found that the hospital had utilised the sum of TZS 3.43 billion on construction leaving uncompleted work worth TZS 2.34 billion while 100% of the contract time had lapsed.
4	Singida	Weakness on the construction of COVID Containment Centre at Singida Regional Referral hospital TZS 2.45 billion	During the audit, I found that Singida RRH through the Ministry of Health engaged M/S MCB Ltd of MBEYA as a contractor to construct the building at a contract sum of TZS. 666 million For a period of one month from 01 December 2020 to 01 January 2021. However, the site visit conducted on 28 August 2021 revealed that the construction work was not yet completed.
5	Songwe	Delayed construction of OPD building at hospital leading to uncompleted works worth TZS.2.42 billion,	On 13 October 2019, the Songwe RRH started implementing a project to construct OPD Building under force account modality for eight months (up to 13 th June 2020) at a contract sum of TZS 532 million. However, I noted that the estimated total cost to complete the construction works was TZS 6billion but a total of TZS 4.82 billion has up to date been disbursed by the MoHCDGEC, and the whole amount has been spent. During the review on the construction of OPD Building at Songwe RRH and a site visit conducted on 13 August 2021, I revealed that the project's completion time is already past due. I am of the view that delay may lead to cost overruns due to inflation cost on purchase of building materials and associated labour costs.
6	Sokoine	Delay in completion of building wall fence surrounding incinerator areas and installing the water system in X-Ray building.	During the review of contract for building wall fence surrounding incinerator areas and installing the water system in X-Ray building, I noted that the completion period was two months (60 days). The contract's starting date was 20 November 2020, and the expected completion date was 20 January 2021. However, the visit made on 21 August 2021 noted building was at the foundation stage, leading to a delay of 7 months from the scheduled completion date, as a result of Inadequate funds for the completion of the project

SN	Name of RRH	Observation	Details
7	Tabora	Delay in completion date of the project worth TZS 41.42 million	<p>Site visit conducted on 26 August 2021 at Tabora RRH noted that from 26 June to 27 November 2020, the Management of Tabora Regional Referral Hospital entered into a contract with various suppliers and service providers worth TZS 585 million. This was in respect of the proposed construction of the Emergence Medical Department (EMD) under the arrangement of Force account. The work to be completed within ninety (90) days commencing from 01 July, 2020 to 01 October, 2020, it was extended to 30 October 2021.</p> <p>However, I found construction works valuing TZS 41.42 million were uncompleted. Furthermore, the contractor was not at site and no work was proceeding.</p>

Appendix XLV: Embassies with dilapidated buildings

SN	Embassies	Remarks
1	Tanzania Permanent Mission to UN in Geneva	Geneva on Plot No.5277 49 Chemin d'Ecogia 1290 Versoix Geneva worth TZS 3,271,344,381 observed that the building needs major renovation due to its bad condition, large part of the roof leaks and has developed big cracks on walls and fungus to the roof, wall and floor. Also, leakage on sewage system which has become old therefore need major repair or replacement.
2	Tanzania High Commission Nairobi	House in Plot No. RL 209/13678 with 8,094 square meters located in prime area at Upper Hill - Nairobi which is abandoned due to its bad condition beyond repair.
3	Tanzania High Commission in Kigali	two houses at plot number 428 15 and plot number 722. Since condition of two houses is bad the High Commission is recommended to renovate those houses.
4	Tanzania High Commission in Maputo	Located at Av. Dos Martires da Marhaba 852 and it has nine stories, The Government of Tanzania and Messrs Constructors do Montego signed contract agreement on 17 January 2012 for rehabilitation of that building for contract amount of USD 2,107,028.89. Contract Sum has been revised three times to USD 3,104,701.75 and sum of USD 2,781,444.78 has been paid to contractor. To the time of this audit contract was yet to be completed, a delay of more than eight years.
5	Tanzania Embassy in Bujumbura	Plot No. 648/A Ruhero I in Bujumbura, abandoned building
6	Tanzania Embassy in Kinshasa	Staff house located at Av. Okito No.33 Binza Pegeon Ngaliema, Head of Chancery residential house located at Av.Roi Baudouin No.90 Gombe and Office Building located

SN	Embassies	Remarks
		at No.142 Boulevard de 30 Juin Gombe. Requires major renovations
7	Tanzania Embassy in Stockholm	Two residential houses Plot No.28 Massygen and 35 Vedettvagen needs renovation.
8	Tanzania High Commission in Lusaka	<p>Embassy owns 10 Houses and the following weaknesses noted:</p> <ul style="list-style-type: none"> - Chancery building is in bad condition, with several leakages, therefore, needs immediate repairs <p>Three houses are occupied by embassy officials, one used by the Head of Mission as temporary residence, and the two used by embassy officials, all were found to be in poor conditions</p> <p>The remaining seven properties are in very bad condition and therefore unfit for human occupancy. All these houses are located in prime areas.</p>
9	Tanzania Embassy in Khartoum	Building at Square No.42, House No.6 Khartoum East, Abu Garia Street for Ambassador residency and Block 6/1/4/5A Elmak Nimiir Street Khartoum West for Chancery, needs major renovation.
10	Permanent Mission to the UN in New York	<p>One building located at 30 Over hill Road, Mount Vernon Westchester Country, NY 10551, New York. Formerly the building was used as the residential house for the Ambassadors. Building needs major renovation</p> <p>Another building, The Chancery building located at 307E 53rd Street, New York, NY 10022, have 6 floors. The 1st and 4th floors have been vacant since December 2017. 4th floor needs minor renovation before renting while 1st floor is in good condition.</p>
11	Tanzania High Commission Pretoria	<p>House No.58 situated in adenvale 5th Street in Johannesburg, South Africa, the house was under attention of High Commission from 2005 to 2019 when it was returned to ATCL. Recently the house is habited with unknown indigenous and needs major renovation.</p> <p>House No. 846 situated at Thomas Street, Arcadia in Pretoria, South Africa, previously owned by the Revolutionary Government of Zanzibar. the house recently owned by the Tanzanian Government although no official documents was provided to substantiate the transfer. These two houses are abandoned</p>
12	Tanzania High Commission in Lilongwe	<p>The Residential apartments were in bad condition with loads of leakages calls for immediately repairs</p> <p>One apartment plot No. 10/536 which was used by the Head of Mission before are in bad condition such that it is</p>

SN	Embassies	Remarks																																																						
		unsuitable for human settlement. House is abandoned waiting major renovation.																																																						
13	Tanzania High Commission in Harare	<p>The official building and the Residential apartments were in bad condition with loads of leakages which calls for immediately repairs</p> <p>One house on plot No. 91, Churchill Avenue Residential is in bad condition such that it is unsuitable for human settlement.</p>																																																						
14	London High Commission	<table><tr><th>S N</th><th>Location</th><th>POST CODE</th><th>TITLE DEED No.</th><th>YEAR ACQUIRED</th><th>STATUS</th></tr><tr><td>1</td><td>3 View Road</td><td>N6 4DJ</td><td>EGL313751</td><td>1978</td><td>Needs renovation</td></tr><tr><td>2</td><td>3 Stratford Place</td><td>W1C 1AS</td><td>NGL238158</td><td>2004</td><td>Needs renovation</td></tr><tr><td>3</td><td>6 Colindale Garden</td><td>NW4 4RU</td><td>NGL706501</td><td>1979</td><td>inhabitable - Needs major renovation</td></tr><tr><td>4</td><td>22 Beaufort Drive</td><td>NW11 6BU</td><td>NGL706500</td><td>1979</td><td>Needs renovation</td></tr><tr><td>5</td><td>37 Mill Way</td><td>NW7 3OR</td><td>NGL706503</td><td>1981</td><td>Vacant, Needs renovation</td></tr><tr><td>6</td><td>74 The Grove</td><td>HA8 9QB</td><td>MX261165</td><td>1994</td><td>Vacant, Needs renovation</td></tr><tr><td>7</td><td>78 The Avenue</td><td>NW6 7NN</td><td>NGL709295</td><td>1979</td><td>Needs renovation</td></tr><tr><td>8</td><td>29 Mayfield</td><td>NW4 3PY</td><td>NGL709295</td><td>2005</td><td>Needs renovation</td></tr></table>	S N	Location	POST CODE	TITLE DEED No.	YEAR ACQUIRED	STATUS	1	3 View Road	N6 4DJ	EGL313751	1978	Needs renovation	2	3 Stratford Place	W1C 1AS	NGL238158	2004	Needs renovation	3	6 Colindale Garden	NW4 4RU	NGL706501	1979	inhabitable - Needs major renovation	4	22 Beaufort Drive	NW11 6BU	NGL706500	1979	Needs renovation	5	37 Mill Way	NW7 3OR	NGL706503	1981	Vacant, Needs renovation	6	74 The Grove	HA8 9QB	MX261165	1994	Vacant, Needs renovation	7	78 The Avenue	NW6 7NN	NGL709295	1979	Needs renovation	8	29 Mayfield	NW4 3PY	NGL709295	2005	Needs renovation
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SN	Embassies	Remarks					
		9	17 Denehurst	NW4 3QS	MX 62025	200 5	Needs renovation
15	Ottawa	Office Building and residential houses have cracks and leakages					
16	Washington DC	<p>2139 R Street Washington D.C, Flat 5 floors with 10,808 square meters, The building is been severely damaged. It is not maintained since acquired hence it is Idle since 2009.</p> <p>1232 22nd ST NW Washington D.C, Flat 6 floors with 26,640 square meters, in use as embassy office but underutilized as only 6,764 square meter are in use.</p> <p>Old chancery building located at 2139 R Street N.W. Washington D.C 20008 acquired since 1977. Vacated since 2009. Needs major renovation.</p>					



Appendix XLVI: Economic Diplomacy Activities Not Implemented

SN	Embassy/ Commission	Activity Not Implemented	Budgeted Amount TZS	Actual Release TZS	Actual Expenditure TZS
1	Tanzania Embassy in Doha	To prepare stakeholders meeting for sensitisation and promotion of Tanzania investment opportunities. To organise and facilitate JPC meetings between Tanzania and Qatar	27,500,000	9,623,365.94	9,623,365.94
2	Tanzania Embassy in Kinshasa (Sub Vote 2004)	To market Tanzania tourism Use of the Kiswahili language and its instrumentalisation. Affordable, relevant and cost-effective technology identified and transferred by June 2025 Efforts to market Tanzania's products facilitated by June 2025 To promote Tanzania has as a hub for regional transportation and logistics services.	48,100,000	1,253,300	1,253,300
3	Tanzania Commission in Lilongwe	To identify and facilitate potential outward direct investments. Interventions to attract foreign direct investments coordinated by June 2025. Implementation of bilateral, regional and multilateral development programs coordinated by June 2021 External Financial resources for provision of social services and implementation for development projects mobilized by June 2021.	34,050,000	-	34,050,000
4	Tanzania Embassy in Addis Ababa	Use of Kiswahili language and its instrumentalisation facilitated by June 2021	18,050,000	-	-
			20,100,000	4,858,462	4,858,462
			21,800,000	8,343,663	8,343,663
			22,200,000	-	-
			13,500,000	-	13,500,000
			43,500,000	12,518,558	12,518,558
			13,400,000	-	-
			26,400,000	-	-
			24,850,000	-	-

SN	Embassy/ Commission	Activity Not Implemented	Budgeted Amount TZS	Actual Release TZS	Actual Expenditure TZS
		Interventions to attract foreign direct investments coordinated by June 2021 only TZS 24,032 were expended.	29,800,000	24,032	24,032
		Tanzania's presence and influence in Regional and international Organizations reinforced by June 2021	44,300,000	2,517,328	2,517,328
5	Tanzania Embassy in Washington DC	To Facilitate Meetings for Diaspora engagement Services and Development Project in Tanzania by June 2021.	28,471,742	-	-
		To Facilitate Diaspora engagement to visits to promote trade, Investment, tourism in the area of accreditation. Only TZS 8,358,764.04 were expended	41,612,296	8,358,764	8,358,764
		To Promote Swahili Language through forums and Culture events by June 2021.	8,900,000	-	-
		To Promote Tanzania Tourism attractions to Travellers in USA and Mexico by June 2021.	10,500,000	-	-
		Identifying prospective Investors and Introducing Tanzania Investment Opportunities to them through one on one contact and Investment forum by June 2021	26,696,396	-	-
		To develop Political Relationships which will Impact the ability to generate FDI by facilitating Tanzania participation in 2 annual political meeting TZS 595,823.00	28,391,248	595,823	595,823
6	Tanzania High Commission in Kigali	To conduct tourism exchange forum meeting in the host country two times by June 2021	35,221,328	35,221,328	-
		Advertising our National Parks and other tourist attraction areas in the host country by June 2021	8,000,000	8,000,000	-
		To conduct meeting with host government on how to bring Tanzanian Swahili teachers and open teaching centres by June 2021	2,000,000	2,000,000	-



SN	Embassy/ Commission	Activity Not Implemented	Budgeted Amount TZS	Actual Release TZS	Actual Expenditure TZS
		To visit the field, organise meetings and attend conferences for identifying various opportunity by June 2021	7,768,176	7,768,176	5,947,209
		To facilitate the participation of Tanzanians in a trade fair and exhibition in Rwanda by June 2021	5,984,000	5,984,000	-