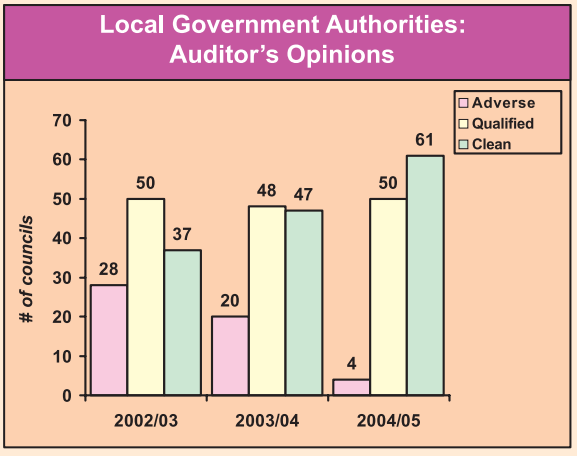
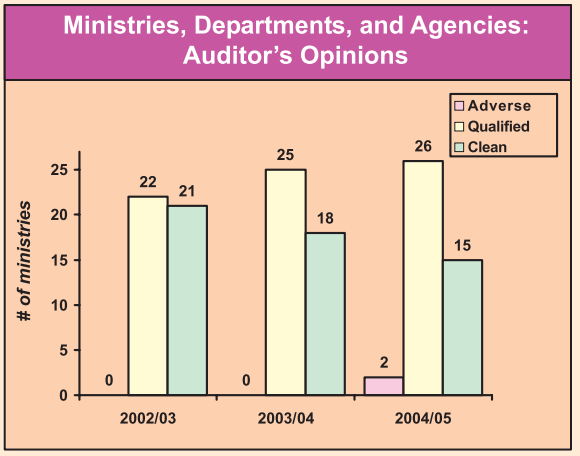
Is Government Managing Money Well?

Findings from Recent Audit Reports





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December 2006

Summary

The Controller and Auditor General (CAG) has an important role to play in increasing accountability, improving governance, and reducing corruption in Tanzania. This report presents selected findings of CAG Annual Reports for central Government ministries, departments, and agencies (MDAs), and local government authorities (LGAs) for the three most recent financial years for which data is publicly available (2002/03, 2003/04, and 2004/05). The audit data reveals that there is significant room for improvement in terms of financial management at both the local and central government levels. Examining the audit data also raises questions about the current practices surrounding the audit process, and suggests ways in which the Government, Parliament, and civil society can take greater advantage of the information presented in audit reports.[2]

I. Introduction

Increasing accountability. Improving governance. Reducing corruption. The Government of Tanzania has been tasked with these goals on countless occasions by donors, NGOs, and leaders within Government's own ranks. Indeed it is difficult to read a policy document or listen to a policy speech without encountering one or all of these phrases. However, despite broad consensus on the importance of achieving these goals, it has been more difficult to agree on how to go about doing so.

One strategy that has received considerably less attention is the office of the Controller and Auditor General (CAG). As Tanzania's Supreme Audit Institution (SAI), the CAG is the official public finance watchdog.

Every year, the CAG inspects the accounts of each public sector entity under its jurisdiction (including central Government ministries and local government authorities) and records instances where the accounts do not give satisfactory explanation of how the money has been spent. The CAG then compiles a report for each ministry and local government authority (LGA). Next, these reports are tabled in the Parliament's Public Accounts Committee (PAC), in the case of the ministries, or in the Local Authorities Accounts Committee (LAAC), in the case of the LGAs, for deliberation and scrutiny. The accounts committees then issue recommendations for follow up. Finally, CAG reports are meant to be discussed in Parliament and forwarded to the Ministry of Finance (for ministries), or the Prime Minister's Office - Regional Administration and Local Government (for LGAs), for further action.[3]

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[1] This report has been written by Ruth Carlitz, policy analyst and resource person at HakiElimu. Rakesh Rajani and Geir Sundet reviewed drafts and contributed to the editing of the report. This report is also available in Swahili.

[2] The audit findings discussed in this report were published in a series of leaflets produced by HakiElimu in October 2006 available in English and Swahili. The leaflets are available online at www.hakielimu.org or by request from HakiElimu's office.

[3] For more information on the reporting procedures see the Statutory Reports of the Controller and Auditor General on the Audit of the Financial Statements of LocalGovernment Authorities, and of Ministries, Independent Departments and Affiliated Bodies, 2004/05, available upon request from the CAG office, PO Box 9080, Dar es Salaam, or via e-mail at ocag@nao.or.tz. The statutory reports refer to the governing statutes for reporting procedures, namely, the Local Government Finances Act, 1982, and the Public Finance Act, 2001 (and as revised).

Implementation of this process has been somewhat weak. Audit reports have not been fully debated in Parliament, especially in recent years. Significantly, there appears to have been little action taken on the audit findings. However, this may now be changing. Soon after his election, President Kikwete announced that the CAG would be given legal powers to follow up on negative findings.[4] He has also said that public servants found guilty of embezzlement should be handed over to the police to be prosecuted rather than go before administrative tribunals that impose lenient "disciplinary measures."[5]

Even before additional legal measures are taken, the CAG has already taken a significant step in terms of helping to increase accountability, improve governance, and reduce corruption. CAG reports are available to the public. Detailed audit reports can be obtained by making a request at the CAG office. Alternatively, citizens can visit REPOA's Tanzania Governance Noticeboard at www.repoa.or.tz/tgn/index.php where the audit reports are available online. Tanzanian citizens thus have more access to audit data than citizens of many other countries, whose governments either do not produce audit reports, or do not share the reports with the public.[6]

This report presents selected findings of CAG Annual Reports for central Government ministries, departments, and agencies (MDAs), and local government authorities (LGAs) for the three most recent financial years for which data is publicly available (2002/03, 2003/04, and 2004/05).[7]

While there has been progress in several areas, the overall situation is far from acceptable. In 2004/05, LGAs were unable to account for nearly 15 billion shillings, or 10 percent of their non-salary budgets. As for MDAs, they were unable to account for 203 billion shillings, which is also about 10 percent of their non-salary budgets.

The audit reports identify specific cases of mismanaged funds. These require specific explanations or accountability actions against those responsible. Overall, the audit reports can also be used by members of Parliament, civil society, and individual citizens to demand that Government account for public money, and devise concrete measures to limit similar indiscretion in the future.

This report is divided into six sections. Section I is the introduction. Section II explains which indicators from the audit reports were selected. Section III presents highlights from the LGA audit reports, and Section IV presents highlights from the MDA reports. Finally, Section V presents the conclusion and Section VI suggests a way forward.

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[4] Kenge, Abduel. "Auditor General to get teeth." Daily News. 01 February 2006.

[5] "Get tough with embezzlers of govt funds." editorial. The Guardian. 28 August 2006. www.ippmedia.com/ipp/guardian/ 2006/08/28/73294.html; "Yes, thieves must be prosecuted." Editorial. This Day. 28 August 2006.

[6] The International Budget Project (IBP) recently conducted a survey of 59 countries assessing transparency in national budgetary processes. The survey showed that annual audit reports are often not available to the public. In 23 of the countries surveyed, an auditing report was still unavailable more than two years after the end of the budget year. For more information, refer to: www.openbudgetindex.org/

[7] All data is available for download on REPOA's Tanzania Governance Noticeboard. Care has been taken to ensure the accuracy of this data, but the producers of this leaflet are not responsible for typographical or other errors at source. Information herein should be treated with caution and checked against the original reports. For more information and explanation readers should consult the CAG office.

II. Understanding the Data: What Can We Learn From the Audit Reports?

Audit reports contain a significant amount of information. Indeed, the report for a given ministry or district is often over 20 pages long. While such level of detail may be useful if one is particularly interested in a certain ministry or district's financial management, it can prevent one from seeing the 'big picture'. This report has therefore focused on only a few key indicators, which are both informative and comparable across all the audit reports, in order to obtain an overall picture of the situation and recent trends at both the central and local levels.[8] In the section below we explain elements of the CAG reports that were examined for this paper.

Auditor's Opinions

As explained in the preface for each LGA or MDA's 2004/05 report, each audit covers "evaluation of the effectiveness of the financialaccounting system and internal control over the activities of [each MDA or LGA], examination and verification of the accompanying financial statements to the appropriation account, and other procedures as was considered necessary in the circumstances."[9] Once an LGA or MDA's financial statements and underlying records have been examined, an overall opinion is issued. The auditor's opinion is a summary evaluation that takes into account all factors considered in the audit report. The auditor's opinions can fall into one of the following three categories: "Clean," "Qualified," or "Adverse." (See box.)

Explanation of the Auditor's Opinions

- A '**Clean**,' or 'Unqualified' opinion indicates that the **financial statements of the given public entity are fully satisfactory**. That is, the CAG is "satisfied in all material respects that (a) the financial statements have been prepared using acceptable accounting bases and policies which have been consistently prepared; (b) the financial statements comply with statutory requirements and relevant regulations (in this case Act No. 9 of 1982 and the Local Government Financial Memorandum of 1977); (c) the view presented by the financial statements is consistent with the knowledge on the circumstances of the audited entity; and (d) there is adequate disclosure of all material matters relevant to the financial statements.

  Issuance of an unqualified opinion does not mean that the Council has a clean wholesale system of internal control. It only means that nothing has come to [the CAG's] attention to warrant a qualified opinion."

- A '**Qualified**' opinion is issued if the CAG is "convinced that there are **material matters affecting the financial statement presentation**… including **long outstanding audit queries**…. In principle, [the CAG is] generally satisfied by the outcome of the audit except for the matters of disagreement or uncertainty specified therein."

- An "**Adverse**" opinion is issued when "the situation presented by the financial statements… is **not only material but also fundamental**.... An adverse opinion is expressed if the obtaining disagreement or limitation of scope is so fundamental that it undermines the position presented to the extent that a qualified opinion would not be adequate. In this case, [the CAG is] making [himself] clear that **the financial statements are not fairly stated**."

Source: Statutory Reports of the Controller and Auditor General onthe Audit of the Financial Statements of Local Government Authorities, and of Ministries, Independent Departments and Affiliated Bodies, 2004/05
Emphasis added.

[8] For additional summary information, readers can consult the Statutory Reports of the Controller and Auditor General on the Audit of the Financial Statements of LocalGovernment Authorities, and of Ministries, Independent Departments and Affiliated Bodies, 2004/05

[9] The preface to each report further notes that "audit findings are confined to the extent that records, documents and information requested for the purpose of the audit were made available to audit."

The CAG's main concern appears to be adherence to established accounting and finance regulations. However, the basis on which the auditor arrives at a given opinion is not easily apparent from the information provided. In addition, it should be noted that the CAG does not appear to be fully independent of the executive branch of Government, at least in its legal and administrative establishment.[10] This lack of independence is perceived as a problem in relation to international standards, because of the pressure it may exert on the CAG.

Questioned Expenditure

We also examine total amounts and selected items of "questioned expenditure."[11] "Questioned expenditure" refers to spending about which the auditor is not satisfied that the correct procedures have been followed, or for which there is insufficient or missing documentation to document that the money has been spent for the correct purpose and that the goods or services have been delivered.

It should be noted that "questioned expenditure" may indicate that money was spent improperly, or it may simply indicate that money was spent without proper documentation (though it could have been spent properly). Even though questioned expenditure does not necessarily indicate malfeasance, it is evidence of a certain degree of laxity that may create an environment where corruption can thrive.

Questioned expenditure was examined both in terms of total magnitude, and as a percentage of each MDA or LGA's non-salary expenditure.[12] This is a useful indicator since it allows us to compare MDAs and LGAs with budgets of different sizes.

III. Selected Findings from LGA Audit Reports

LGAs are funded by grants received from the central government, as well as local revenue (taxes paid by people living in the district). This money is meant to pay for services administered at the local level, such as basic education. The Government is currently implementing the Local Government Reform Programme, which aims to reduce poverty by improving service delivery and strengthening governance at the district level. This program puts more power (and money) in the hands of LGAs.

The LGA table (see Appendix) provides a detailed tabulation of audit findings for the last three years. The LGA audit reports reveal that financial management at the local level is plagued with a number of problems, which potentially indicate broader systemic challenges. In assessing the overall findings of the individual audit reports for LGAs, the CAG remarks:

> "The most striking audit findings are incompleteness of accounting records, in-correct bank reconciliations, failure to collect revenues due to the Councils, use of inappropriate procurement procedures, and gaps in payment procedures. Under these circumstances, the effectiveness of the procedures and systems for the control and management of resources in the Councils require closer monitoring."[13]

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[10] See Section 26(1) of the Public Finance Act, 2001.

[11] The items of questioned expenditure that have been included are "unauthorised expenditure," "unvouchered expenditure," "improperly vouchered expenditure," and "irregular payments."

[12] Salaries were subtracted to give a better sense of how much money each MDA or LGA actually has control over.

[13] Statutory Report of the Controller and Auditor General on the Audit of the Financial Statements of Local Government Authorities, 2004/05

Questioned Expenditure, LGAs

In 2004/05, the LGAs examined in this report had questioned expenditure of 15 billion shillings, or 10 percent of their discretionary budgets. Almost one quarter of that money was due to the questioned expenditure of just one LGA, Njombe (which had questioned expenditure of Tsh 3.9 billion in 2004/05). This included a payment of over Tsh 2.2 billion to Tanesco, which the LGA was not able to account for.

In addition, several other LGAs had significant amounts of questioned expenditure. Table 1 shows the five LGAs with the highest amount of questioned expenditure in 2004/05.

Table 1: LGAs with Highest Questioned Expenditure, 2004/05

District	Questioned Exp. (millions of Tsh)
1. Njombe D.C. (Iringa)	3,853
2. Nzega D.C. (Tabora)	1,057
3. Musoma D.C. (Mara)	563
4. Kigoma D.C. (Kigoma)	563
5. Igunga D.C. (Tabora)	513
Total	**6,549**

The total amount of questioned expenditure for all LGAs in 2004/05 increased from about Tsh 12 billion in the previous two years. However, total LGA budgets also increased significantly, so the proportion of questioned expenditure decreased. Still, the overall figure remains unacceptable.

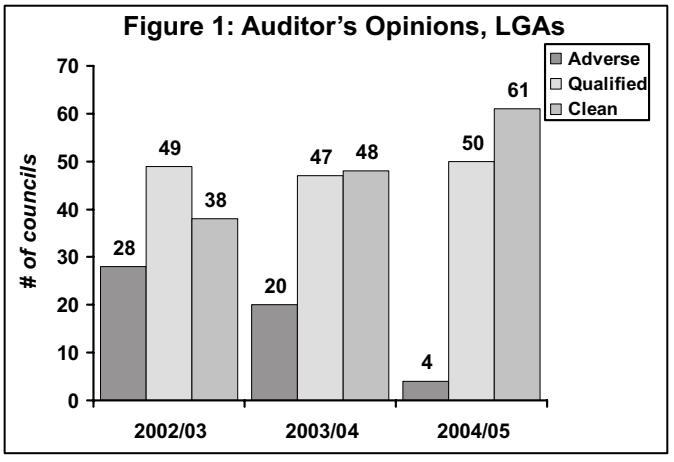
Table 2: LGAs with Zero Questioned Expenditure, 2004/05

Ileje D.C. (Mbeya)
Kasulu D.C. (Kigoma)
Mbarali D.C. (Mbeya)
Mbeya D.C. (Mbeya)
Mbozi D.C. (Mbeya)
Morogoro M.C. (Morogoro)
Muheza D.C. (Tanga)
Rungwe D.C. (Mbeya)
Tanga M.C. (Tanga)

Only 9 LGAs out of 115 examined reported zero questioned expenditure for 2004/05, as shown in Table 2. On the other hand, 31 LGAs had questioned expenditure of over Tsh 100 million each.

Auditor's Opinions, LGAs

Despite the fact that the LGAs have continued to register significant amounts of questioned expenditure, they are doing better in terms of auditors' opinions. As shown in Figure 1, over half of the LGAs (61 out of 115) received "Clean" opinions in 2004/05, while 50 received "Qualified" opinions and just four received "Adverse" opinions. This is a significant improvement from the previous years.



However, there may also be greater sensitivity around "Adverse" opinions, since these affect eligibility for the Local Government Capital Development Grant.

There does not appear to be a significant correlation between auditor's opinions and questioned expenditure. For instance, in 2004/05, Mkuranga D.C. (Pwani) had questioned expenditure of Tsh 275 million, or over one-third of its discretionary budget, but still received a "Clean" report. On the other hand, Mtwara T.C. (Mtwara) had much lower questioned expenditure of Tsh 72 million, or 7 percent of its discretionary budget, but received an "Adverse" opinion.

There is wide variation across the LGAs, with some of them registering improvements in financial accountability, others showing declines, and yet others remaining stagnant. For

instance, Njombe (Iringa) had questioned expenditure jump from Tsh 69 million to Tsh 3.9 billion between 2003/04 and 2004/05. The auditor's opinion of this LGA also changed, from "Clean" to "Qualified." On the other hand, Ileje (Mbeya) had questioned expenditure drop from Tsh 21 million to zero, and its auditor's opinion changed from "Adverse" to "Clean." Table 2 shows the districts that received clean reports in all three years. Mtwara D.C. (Mtwara), on the other hand, had a significant amount of questioned expenditure in each of the three years examined and received an "Adverse" opinion in all three years. (See box below for further discussion.)

What's Behind an Adverse Opinion? – The Case of Mtwara D.C.

Mtwara D.C. (Mtwara) was the only district that received an "Adverse" auditor's opinion in each of the past three financial years. The detailed audit reports reveal some of the offenses for which the district was cited:

- In 2002/03, the council could not account for Tsh 26 million it received from the Local Government Reform Programme to conduct training
- In 2003/04, the council reported spending Tsh 187 million for a "long term investment." However, the council did not explain what the investment was or how the figure was obtained.
- In 2004/05, the council was cited with Questionable expenditure of Tsh. 4.7 million of PEDP funds.
- In multiple years, the council was cited with revenue that was neither accounted for nor banked.

Urban vs. Rural LGAs

Urban districts generally performed better in terms of questioned expenditure, though not necessarily in terms of auditor's opinions. Urban LGAs reported questioned expenditure of 4 percent for 2004/05, whereas rural LGAs reported 12 percent. These trends were similar in prior years.

Figures 2 and 3 show the breakdown of auditor's opinions for rural and urban LGAs. In 2002/03 and 2003/04 urban LGAs tended to receive more favorable auditor's opinions than did rural LGAs. However in 2004/05, the distribution of auditor's opinions changed significantly. Many more rural LGAs received "Clean" opinions, whereas relatively fewer urban LGAs did.

Figure 2: Auditor's Opinions, Rural LGAs

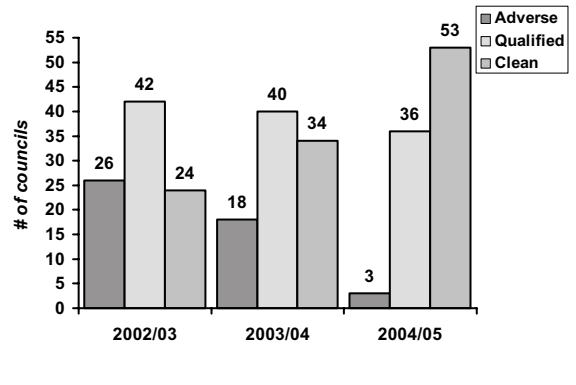
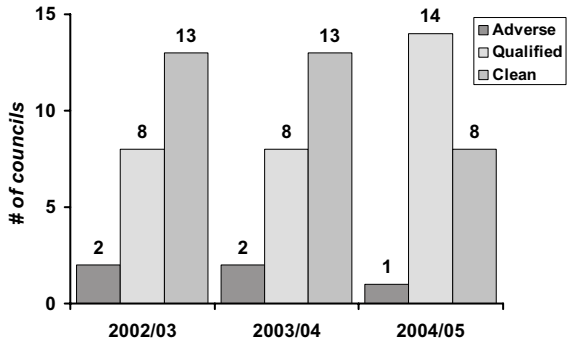


Figure 3: Auditor's Opinions, Urban LGAs



Improving LGAs' Financial Management
Upon reviewing the audit reports of all of theLGAs, the CAG concludes that "the oversight function over the Councils needs to be strengthened."[14] He identifies two specific ways in which accountability at the local level can be increased. His first suggestion is to raise the capacity of internal audit units through ongoing capacity building programs. Second, he suggests that the oversight role of the Ministry responsible for Regional Administration and Local Government should be strengthened, and the ministry should take prompt action on proved cases of financial mismanagement.

We may want to ask what type of stronger oversight from above is the best way to deal with weak accountability at the district level. The 2006 *Public Expenditure and Financial Accountability Review* (PEFAR)[15] found that multiple and disjointed systems of oversight imposed by the center frustrated and confused local actors, and may in fact be undermining accountability. Instead, it called for the establishment of a simplified, single system of accountability, with a particular emphasis on provision of timely and relevant information at the community level. Some local CSOs are undertaking public expenditure tracking surveys that may contribute towards this end, but it is not clear whether the Government will be making major reforms in response to the PEFAR findings.

IV. Selected Findings from MDA Audit Reports

Despite local government reforms, much of the Government's day-to-day funding operations appear to be centralized. Currently, about three-quarters of all the money that Government spends flows through central Government Ministries, Departments and Agencies (MDAs). The MDAs receive funds in large part from the taxes that all citizens pay, such as income tax or value-added tax (VAT), as well as donor support. This money funds a range of services that are administered at the central Government level, such as salaries, major construction projects, secondary education, and national health interventions.

The MDA table (see appendix) provides a full list of findings for the last three financial years. The MDA audit reports show that on the whole the ministries are doing well, but these funds have not been managed well in some instances. Upon reviewing the reports for all the ministries, the CAG remarked:

> "The audit has revealed significant weaknesses in government financial management during the year under review. These relate to gaps in the accounting system, inadequate supervision, and failure to observe laws and regulations…. Notwithstanding the significant gaps revealed by the audit, government financial management has generally been satisfactory during the year under review. Accounts were submitted to audit on time, and there is major improvement in taking action on previous audit recommendations."[16]

Questioned Expenditure, MDAs
In 2004/05, the MDAs examined in this report were unable to account for Tsh 203 billion,[17] or 10 percent of non-salary expenditure. This amount is almost three times more than the previous

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[14] Statutory Report of the Controller and Auditor General on the Audit of the Financial Statements of Local Government Authorities, 2004/05.
[15] The 2006 PEFAR was undertaken jointly by the Government of Tanzania and the World Bank. The findings were presented at the PER annual consultative meeting in May 2006.
[16] Statutory Report of the Controller and Auditor Generalon the Audit of the Financial Statements of Ministries, Independent Departments and Affiliated Bodies, 2004/05
[17] This is likely an underestimate, since some MDAs were excluded due to missing data.

two years (Tsh 65 billion in 2002/03 and Tsh 82 billion in 2003/04). Questioned expenditure as a percentage of discretionary expenditure also increased significantly.

Over half of the questioned Tsh 203 billion comes from just five MDAs, each of which reported questioned expenditure of more than Tsh 25 billion. These ministries are listed in Table 3.

Table 3: MDAs with Highest Questioned Expenditure, 2004/05

Ministry	Questioned Exp. (billions of Tsh)
1. Regional Administration and Local Government	36.4
2. Ministry of Health	32.4
3. National Accounts/Public Debt and General Services	29.4
4. Ministry of Works	28.0
5. Ministry of Science, Technology and Higher Education	25.6
Total	**151.8**

The Ministry responsible for Regional Administration and Local Government (now known as PMO-RALG) had questioned expenditure of Tsh 36 billion. Much of this resulted from payments (for goods, works, and services) for which no supporting documents were provided

Ministry of Health questioned expenditure included payments of nearly Tsh 30 billion for "goods not delivered." To put that figure in perspective, it is more than the total amount that the Ministry of Health budgeted for anti-retroviral therapy (about Tsh 23 billion) in the most recent financial year

The Ministry of Works registered questioned expenditure of Tsh 28 billion, or nearly half of discretionary expenditure. This resulted largely from irregular payments (totaling Tsh 17 billion), including the purchase of residential houses for the Tanzania Buildings Agency. The Works audit also noted non-compliance with procurement and other laws. For instance, Tsh 17 billion was used for rehabilitation of regional roads but itemized expenditure showing analysis of respective roads rehabilitated was not available.

Table 4: MDAs with Zero Questioned Expenditure, 2004/05

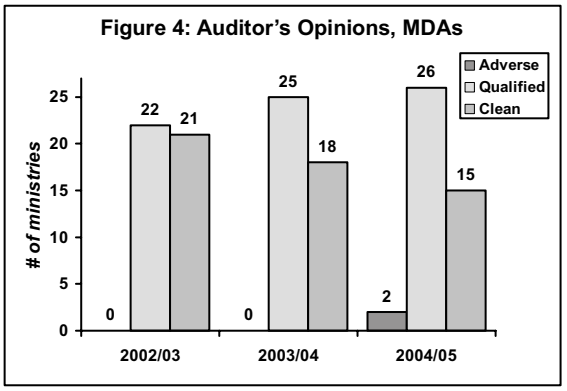
Ethics Secretariat
Law Reform Commission
President's Office and Cabinet Secretariat
Prime Minister
State House
Vice President

Six MDAs, however, had zero questioned expenditure (See Table 4.). These six are all 'high offices' housed in the executive branch of Government, and it might be interesting to study the reasons behind their exemplary performance.

Auditors' Opinions, MDAs

Despite the fact that MDAs reported poor performance in terms of the magnitude of questioned expenditure for 2004/05, they did relatively well in terms of auditors' opinions. However, two "Adverse" opinions were issued in 2004/05 (to the Electoral Commission and the Ministry of Defence) whereas none were in the previous two years.

Figure 4: Auditor's Opinions, MDAs



As shown in Figure 4 about one third of the MDAs (15 out of 43) received "Clean" opinions in 2004/05, while 26 received "Qualified" opinions and two received "Adverse" opinions. This represents a change from the previous years, when more "Clean" opinions and no "Adverse" opinions were issued.

There does not appear to be a strong correlation between auditors' opinions and questioned expenditure. For instance, as noted above, the Ministry of Works had Tsh 28 billion of questioned expenditure – nearly half of discretionary expenditure for the ministry – and still received a "Qualified" opinion. The Industrial Court had only Tsh 2.2 million in questioned expenditure, or less than 1 percent of discretionary expenditure, but also received a "Qualified" opinion.

It is interesting to compare MDAs that received "Clean" audit opinions with the amounts of questioned expenditure. It makes sense that the six ministries reporting zero questioned expenditure received "Clean" reports However, the Vice President's Office, which had over Tsh 3 billion in questioned expenditure, and the Ministry of Community Development, Women Affairs and Children, which had Tsh 550 million in questioned expenditure, also got "Clean" reports.

Excerpts from the 2004/05 Audit Reports for MDAs

- The Judiciary (Vote 40) released Tsh 1.4 billion for construction and rehabilitation activities that could not be verified, implying that "the whole process of procurement (tendering) might not have been followed and may lead to loss of Government funds."
- The Ministry of Health (Vote 52) paid Tsh 20 million to the Permanent Secretary (Ministry of Health) for Consultancy Services on Health Care without following procurement regulations. Furthermore, "there was no evidence which indicated that the consultant was engaged and consultancy service actually took place."
- The President's Office – Regional Administration and Local Government breached procurement procedures for the purchase of office stationery, laptop computers, furniture, and the installation of a generator.

There is wide variation across the MDAs, with some of them registering improvements in terms of financial accountability, others showing declines, and some remaining about the same. For instance, the Judiciary was shown to have questioned expenditure of Tsh 1.5 billion in 2002/03. In 2004/05, the Judiciary's questioned expenditure had increased by nearly three times, to Tsh 4.5 billion. On the other hand, the Ministry of Agriculture and Food Security saw its questioned expenditure decline from Tsh 8.5 billion to Tsh 226 million between 2003/4 and 2004/05.

Improving MDAs' Financial Management

As noted above, the CAG praised the ministries for submitting their accounts for audit on time, and for taking action on previous audit recommendation. However, he notes that financial management at the central government level needs improvement, and points to certain areas for special attention. In particular, he calls for "completeness of record keeping of all government assets based on the Integrated Financial Management System, improving public procurement, and stores management procedures" and also notes that "oversight on the management of public authorities need to be enhanced."[18]

Given that central Government ministries are responsible for such a large proportion of public funds, it is vital that they are accountable for the resources under their control. Improving financial management at this high level can also help to set an example for regional and local governments.

[18] Statutory Report of the Controller and Auditor General on the Audit of the Financial Statements of Ministries, Independent Departments and Affiliated Bodies, 2004/05

V. Conclusion and Recommendations

Having reviewed the evidence, "Is Government managing money well?" The answer would appear to be in part. At both local and central Government levels there is significant variation. Some districts and ministries have very clean books, whereas others have extremely high levels of potentially misspent funds, or expenditure that cannot be accounted for. The fact that a number of districts and ministries fall into this latter category means that there is still room for improvement.

There are a number of specific measures the Government can take to improve financial management. The recommendations of the CAG provide a starting point. However, these do not seem to have been taken sufficiently seriously. In the conclusion of the statutory report for central Government ministries, the CAG notes:

> "Action on audit reports has always been below expectation. In my previous reports, I have been pointing out this anomaly without much success…. Attention is once again drawn to the need to take prompt action on audit observations with a view to securing public accountability."[19]

As noted at the outset of this report, President Kikwete's Government appears to be heeding this call and taking CAG findings more seriously. The Minister for Finance, Zakia Meghji, has indicated that the CAG will be given greater powers to enforce action on audit recommendations.[20]

In addition, the Government may want to emphasize some of the specific recommendations outlined by the CAG in the statutory reports. For instance, the CAG recommends that the secretariat of the Public Accounts Committee be strengthened by recruiting technical advisors in accountability and good governance issues. In addition, he suggests establishing a Treasury Board to be chaired by the Chief Secretary, in order to "give teeth" to the Paymaster General in making follow-up and monitoring of the implementation of the Parliamentary instructions and audit recommendations.[21]

The CAG office deserves commendation for improving timeliness of reports, and for following up on questioned expenditures. Nevertheless, the CAG's capacity and functioning also needs further strengthening. In particular CAG needs to be able to undertake "value for money" (VFM) or performance audits.[22] This type of audit goes beyond compliance with basic accounting requirements and seeks to determine the efficiency and effectiveness of public expenditure. VFM audits would be particularly useful in the case of large expenditures – such as outlays for power generators and school infrastructure.

Finally, the CAG has a vital responsibility to educate and inform. As noted in the statutory report, the CAG has a responsibility to:

> "provide timely and high quality audit services to all audit clients in order to enhance public sector financial accountability and transparency. The office does this by educating key

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[19] Ibid.

[20] "Controller and Auditor General deserve extended powers." Editorial. The Guardian. 26 October 2006. www.ippmedia.com/ipp/guardian/2006/10/26/77145.html; Abduel Kenge. "CAG to charge crooked accountants." Daily News. 23 October 2006. www.dailynews-tsn.com/page.php?id=4152

[21] Statutory Report of the Controller and Auditor General on the Audit of the Financial Statements of Ministries, Independent Departments and Affiliated Bodies, 2004/05

[22] Section 33(1) of the Public Finance Act, 2001 explains the scope of value-for-money audits that fall under the CAG's jurisdiction. However, capacity constraints have severely limited this type of activity.

stakeholders on the effective management of public finances, providing value added services, and functioning independently and impartially in auditing and reporting on public accounts."[23]

Easy and wider access to the CAG reports is essential to this task. However, while these are technically public, they are difficult to access for many people. The CAG reports are not online (the CAG does not have a substantive website) not widely disseminated across the country. The CAG could better fulfill its public education mandate by making all reports available online and in district libraries as soon as they have been tabled in Parliament, and in holding sessions with the media.

That said, the fact that the CAG reports are available is an important opportunity to deepen accountability, improve governance, and reduce corruption. It is up to Members of Parliament, Government officials, civil society, and ordinary citizens to put the information provided in the CAG reports to good use. An emerging area is cooperation between SAIs and civil society. Experiences of other countries can provide inspiring examples, some of which are presented in the box below.[24] The possibilities for deepening public accountability through the CAG in Tanzania are perhaps greater today than at any other time. But it will take bold, imaginative leadership from all sides to seize the opportunities and move things forward.

Examples of Civil Society Engagement with Public Audits

The Public Service Accountability Monitor (PSAM) in South Africa systematically tracks whether action has been taken on cases brought up in the audit reports. The organization has compiled a database that monitors the compliance of local government agencies with public finance regulations and administrative directives. They also work to disseminate their findings to the public in a matter which is accessible and timed to coincide with the budget process

PSAM's advocacy efforts contributed a decision by the South African national cabinet to create a specialized task force with the mandate to investigate and prosecute a huge backlog of corruption cases. The task force used PSAM's extensive database, which documented cases of corruption in various local government agencies.

In some other countries, civil society is working to assist Supreme Audit Institutions with their mandate. For instance, in India an organization called the Mazdoor Kisan Shakti Sangathan (MKSS) conducts "social audits" (public hearings) - facilitating community discussions on government expenditures of public development funds.

In the Philippines, an organization called The Concerned Citizens of Abra for Good Governance (CCAGG) trains its members (primarily housewives, students and youth) to monitor large government projects to see if funds are being spent appropriately. In response to CCAGG's influence, the Supreme Audit Institution formed a partnership with the group to conduct participatory audits.

[23] Statutory Report of the Controller and Auditor General on the Audit of the Financial Statements of Ministries, Independent Departments and Affiliated Bodies, 2004/05

[24] For a detailed discussion of this type of collaboration, see Ramkumar, Vivek and Warren Krafchik, "The Role of Civil Society Organizations in Auditing and Public Finance Management," The International Budget Project, www.internationalbudget.org/SAIs.pdf

Audit Data for Selected Ministries, Departments, and Agencies*

(ranked in order of 2004/05 questioned expenditure)

		2002/03			2003/04			2004/05			2004/05 Rank (Best to Worst)
Vote	*Name of Ministry*	*Questioned Expenditure (thousands of Tsh)*	*Questioned Exp as % of Discretionary Exp***	*Auditor's Opinion*	*Questioned Expenditure (thousands of Tsh)*	*Questioned Exp as % of Discretionary Exp*	*Auditor's Opinion*	*Questioned Expenditure (thousands of Tsh)*	*Questioned Exp as % of Discretionary Exp*	*Auditor's Opinion*	
20	State House	0	0%	Clean	0	0%	Clean	0	0%	Clean	1
25	Prime Minister	0	0%	Clean	0	0%	Clean	0	0%	Clean	2
26	Vice President	0	0%	Clean	0	0%	Clean	0	0%	Clean	3
30	President's Office and Cabinet Secretariat	0	0%	Clean	0	0%	Clean	0	0%	Clean	4
33	Ethics Secretariat	0	0%	Clean	0	0%	Clean	0	0%	Clean	5
59	Law Reform Commission	0	0%	Clean	0	0%	Clean	0	0%	Clean	6
24	Ministry of Co-operatives and Marketing	262,992	5%	Qualified	131,105	2%	Qualified	1,546	0%	Qualified	7
27	Registrar of Political Parties	311,494	4%	Clean	65,129	1%	Clean	1,940	0%	Qualified	8
60	Industrial Court of Tanzania	47,922	15%	Clean	37,875	10%	Clean	2,205	0%	Qualified	9
55	Commission of Enquiry/Commission for Human Rights	0	0%	Clean	0	0%	Clean	7,575	1%	Clean	10
41	Ministry of Justice and Constitutional Affairs	324,203	10%	Qualified	233,496	3%	Qualified	62,590	1%	Qualified	11
65	Ministry of Labour, Youth Development and Sports	432,469	9%	Qualified	82,440	1%	Qualified	77,936	2%	Qualified	12
23	Accountant General's Department	0	0%	Clean	0	0%	Clean	95,818	0%	Clean	13
90	Land Court	123,497	31%	Clean	186,359	43%	Qualified	105,863	26%	Qualified	14
51	Ministry of Home Affairs	82,300	1%	Qualified	112,503	2%	Qualified	178,059	8%	Qualified	15
64	Commercial Court	25,374	3%	Qualified	11,319	1%	Qualified	223,200	42%	Qualified	16
43	Ministry of Agriculture and Food Security	198,153	2%	Qualified	8,476,132	16%	Qualified	226,351	0%	Qualified	17
66	Planning Commission	1,167,323	4%	Qualified	843,444	4%	Qualified	262,827	1%	Clean	18
69	Ministry of Tourism, Natural Resources & Environment	248,564	1%	Qualified	172,266	0%	Qualified	316,581	1%	Clean	19
50	Ministry of Finance	0	0%	Qualified	0	0%	Qualified	350,234	0%	Qualified	20
58	Ministry of Energy and Minerals	525,378	2%	Qualified	3,170,618	13%	Qualified	361,767	0%	Qualified	21
42	Office of the Speaker	288,162	4%	Clean	2,364,642	26%	Qualified	410,597	3%	Clean	22
62	Ministry of Communication and Transport	3,288,352	9%	Clean	497,186	2%	Clean	481,982	2%	Qualified	23
57	Ministry of Defense and National Service	251,176	7%	Clean	766,277	3%	Qualified	527,200	11%	Qualified	24
53	Ministry of Community Dev, Women Affairs and Children	104,008	5%	Clean	126,914	3%	Qualified	550,420	19%	Clean	25
29	Ministry of Home Affairs – Prison Services Department	2,460,639	13%	Clean	1,184,079	4%	Qualified	579,507	2%	Qualified	26
39	National Service	58,686	1%	Clean	92,132	1%	Clean	610,843	4%	Qualified	27
48	Ministry of Lands, Housing and Urban Development	580,225	15%	Qualified	445,215	9%	Clean	969,733	21%	Qualified	28
44	Ministry of Industries and Trade	905,447	13%	Clean	408,177	6%	Qualified	1,101,798	16%	Clean	29
34	Ministry of Foreign Affairs and International Co-operation	6,966,273	25%	Qualified	8,435,275	27%	Qualified	1,171,490	4%	Qualified	30
37	Prime Minister's Office	580,398	5%	Qualified	564,763	4%	Qualified	1,467,055	5%	Clean	31
31	Vice President's Office	96,565	1%	Qualified	168,974	1%	Clean	3,330,774	19%	Clean	32
61	Electoral Commission	701,826	44%	Clean	5,388,075	N/A	Clean	3,372,091	11%	Adverse	33
40	Judiciary	1,489,251	20%	Qualified	4,352,397	36%	Qualified	4,541,194	32%	Qualified	34
38	Defence (Ngome)	10,903,740	21%	Clean	11,820,008	18%	Qualified	5,417,820	8%	Adverse	35
46	Ministry of Education and Culture	190,771	0%	Qualified	1,493,802	6%	Qualified	7,370,926	10%	Qualified	36
28	Ministry of Home Affairs - Police Force	3,989,232	16%	Qualified	1,600,156	4%	Qualified	8,161,003	15%	Qualified	37
49	Ministry of Water and Livestock Development	2,312,033	18%	Qualified	4,310,544	9%	Qualified	8,528,534	8%	Qualified	38
68	Ministry of Science, Technology and Higher Education	16,027,413	24%	Qualified	3,618,145	5%	Clean	25,554,959	28%	Qualified	39
47	Ministry of Works	159,325	0%	Qualified	2,360,994	2%	Clean	27,997,878	47%	Qualified	40
22	Treasury National Accounts/Public Debt and General Services	3,223,364	1%	Qualified	0	0%	Qualified	29,386,850	6%	Qualified	41
52	Ministry of Health	6,036,494	11%	Qualified	18,317,210	23%	Qualified	32,445,474	23%	Qualified	42
56	Regional Administration and Local Government	156,574	1%	Clean	204,385	0%	Clean	36,367,611	26%	Qualified	43
Totals		**64,519,623**	**5%**		**82,042,036**	**5%**		**202,620,231**	**10%**		

*Some MDAs are not included due to missing data

**Questioned expenditure includes unauthorised expenditure, unvouchered expenditure, improperly vouchered expenditure, and irregular payments

***Discretionary expenditure is defined as total recurrent and development expenditure less Personnel Emoluments (Salaries)

Data Source: Tanzania Governance Noticeboard

Audit Data for Local Government Authorities*
(ranked in order of 2004/05 questioned expenditure)

		2002/03			2003/04			2004/05			2004/05 Rank (Best to Worst)
District	Region	Questioned Expenditure** (thousands of Tsh)	Questioned Exp as % of Discretionary Budget***	Auditor's Opinion	Questioned Expenditure** (thousands of Tsh)	Questioned Exp as % of Discretionary Budget***	Auditor's Opinion	Questioned Expenditure** (thousands of Tsh)	Questioned Exp as % of Discretionary Budget***	Auditor's Opinion	
Kasulu D.C.	Kigoma	7,505	1%	Clean	31,205	4%	Clean	0	0%	Qualified	1
Ileje D.C.	Mbeya	37,311	5%	Qualified	21,273	6%	Adverse	0	0%	Clean	2
Mbarali D.C.	Mbeya	49,096	9%	Adverse	27,883	8%	Qualified	0	0%	Qualified	3
Mbeya D.C	Mbeya	10,908	2%	Clean	0	0%	Clean	0	0%	Clean	4
Mbozi D.C.	Mbeya	0	0%	Qualified	0	0%	Clean	0	0%	Clean	5
Rungwe D.C.	Mbeya	14,498	2%	Clean	86,299	12%	Qualified	0	0%	Clean	6
Morogoro M.C	Morogoro	17,910	2%	Clean	105,036	12%	Qualified	0	0%	Clean	7
Muheza D.C.	Tanga	24,511	4%	Qualified	80,958	13%	Qualified	0	0%	Clean	8
Tanga M.C	Tanga	22,326	2%	Clean	34,318	4%	Clean	0	0%	Clean	9
Manyoni D.C.	Singida	16,605	2%	Qualified	24,167	4%	Clean	1,778	0%	Clean	10
Chunya D.C.	Mbeya	47,119	8%	Qualified	25,748	5%	Adverse	2,613	0%	Clean	11
Same D.C.	Kilimanjaro	46,306	6%	Clean	16,605	3%	Clean	3,087	0%	Clean	12
Pangani D.C.	Tanga	45,069	12%	Qualified	41,166	12%	Qualified	3,769	1%	Qualified	13
Urambo D.C.	Tabora	195,662	17%	Adverse	471,942	50%	Qualified	4,018	0%	Clean	14
Kyela D.C.	Mbeya	6,434	1%	Qualified	0	0%	Qualified	4,537	1%	Clean	15
Morogoro D.C.	Morogoro	12,264	1%	Clean	27,857	3%	Qualified	4,664	0%	Clean	16
Kilosa D.C.	Morogoro	31,529	3%	Qualified	29,535	4%	Qualified	5,169	0%	Qualified	17
Temeke D.C.	Dar es Salaam	27,390	1%	Clean	72,005	3%	Clean	5,673	0%	Qualified	18
Hai D.C.	Kilimanjaro	3,009	0%	Clean	29,447	4%	Clean	6,926	1%	Clean	19
Nkasi D.C.	Rukwa	2,975	1%	Clean	8,000	2%	Qualified	7,242	1%	Clean	20
Mbulu D.C.	Manyara	2,568	0%	Qualified	32,867	5%	Clean	7,262	1%	Clean	21
Lindi T.C	Lindi	42,282	12%	Adverse	60,422	19%	Adverse	8,243	2%	Qualified	22
Ngara D.C.	Kagera	18,149	3%	Qualified	46,477	8%	Clean	8,348	1%	Clean	23
Sumbawanga D.C.	Rukwa	114,616	15%	Clean	0	0%	Qualified	9,826	1%	Clean	24
Rufiji D.C.	Pwani	47,678	5%	Qualified	28,484	4%	Qualified	10,054	1%	Clean	25
Singida D.C.	Singida	22,271	3%	Qualified	0	0%	Adverse	12,492	1%	Clean	26
Karatu D.C.	Arusha	3,945	1%	Clean	51,369	8%	Clean	12,790	2%	Qualified	27
Kibaha T.C.	Pwani	2,010	0%	Clean	7,403	2%	Clean	13,184	2%	Clean	28
Mbinga D.C.	Ruvuma	143,582	15%	Qualified	26,583	4%	Qualified	13,691	1%	Clean	29
Moshi D.C.	Kilimanjaro	15,551	2%	Clean	42,445	8%	Clean	14,687	2%	Clean	30
Mwanga T.C.	Kilimanjaro	13,676	2%	Clean	85,330	16%	Clean	15,069	2%	Clean	31
Arumeru D.C.	Arusha	11,255	1%	Clean	4,700	1%	Qualified	15,433	1%	Clean	32
Moshi M.C	Kilimanjaro	21,239	1%	Clean	14,574	1%	Clean	15,566	1%	Qualified	33
Kibaha D.C.	Pwani	165,295	52%	Qualified	165,430	49%	Qualified	15,590	4%	Clean	34
Shinyanga D.C.	Shinyanga	236,162	23%	Qualified	3,894	0%	Qualified	15,748	1%	Qualified	35
Arusha M.C	Arusha	56,197	3%	Clean	37,977	3%	Qualified	16,100	1%	Clean	36
Tabora (Uyui) D.C.	Tabora	67,467	10%	Adverse	6,073	1%	Clean	18,367	1%	Clean	37
Iramba D.C.	Singida	23,646	3%	Qualified	92,644	14%	Clean	18,777	1%	Clean	38
Makete D.C.	Iringa	0	0%	Clean	0	0%	Clean	20,232	4%	Clean	39
Kiteto D.C.	Manyara	84,228	13%	Adverse	60,311	8%	Adverse	20,355	2%	Qualified	40
Kibondo D.C.	Kigoma	29,487	5%	Qualified	53,676	9%	Qualified	21,019	1%	Clean	41
Handeni D.C.	Tanga	10,696	1%	Adverse	103,233	15%	Qualified	21,500	2%	Adverse	42
Meatu D.C.	Shinyanga	32,811	4%	Qualified	3,534	1%	Clean	21,690	2%	Clean	43
Korogwe D.C.	Tanga	12,243	2%	Qualified	109,966	23%	Adverse	21,751	3%	Clean	44
Singida M.C	Singida	218,809	58%	Qualified	59,235	14%	Clean	21,949	4%	Clean	45
Dar es Salaam C.C.	Dar es Salaam	315,081	8%	Clean	181,240	16%	Clean	25,255	1%	Qualified	46
Mbeya M.C.	Mbeya	227,575	16%	Clean	71,172	9%	Qualified	26,705	2%	Qualified	47
Karagwe D.C.	Kagera	5,970	1%	Clean	10,751	1%	Clean	26,975	2%	Clean	48
Lushoto D.C.	Tanga	202,946	22%	Adverse	71,118	8%	Qualified	27,217	2%	Clean	49
Kahama D.C.	Shinyanga	10,672	1%	Adverse	31,745	4%	Adverse	28,781	1%	Clean	50
Musoma T.C	Mara	34,723	5%	Qualified	16,960	3%	Clean	29,840	4%	Qualified	51
Shinyanga M.C	Shinyanga	27,712	4%	Qualified	14,947	3%	Clean	29,919	4%	Qualified	52
Mpanda D.C.	Rukwa	35,941	4%	Adverse	0	0%	Qualified	30,609	2%	Clean	53
Ludewa D.C.	Iringa	67,114	14%	Qualified	136,112	30%	Adverse	32,339	5%	Clean	54
Bariadi D.C.	Shinyanga	19,432	2%	Qualified	66,660	7%	Clean	32,568	1%	Qualified	55
Monduli D.C.	Arusha	92,194	10%	Qualified	40,391	4%	Qualified	36,422	3%	Clean	56
Bukoba T.C	Kagera	5,189	1%	Qualified	0	0%	Clean	42,040	7%	Clean	57
Ulanga D.C.	Morogoro	97,622	18%	Adverse	58,066	12%	Clean	45,116	6%	Clean	58
Rombo D.C.	Kilimanjaro	8,522	1%	Clean	17,657	3%	Clean	45,712	5%	Clean	59
Kigoma T.C.	Kigoma	800	0%	Qualified	226,943	49%	Adverse	46,439	5%	Qualified	60
Geita D.C.	Mwanza	45,893	5%	Adverse	18,268	3%	Qualified	46,514	2%	Clean	61
Ngorongoro D.C.	Arusha	31,524	4%	Clean	42,294	6%	Clean	47,901	5%	Qualified	62
Nachingwea D.C.	Lindi	18,485	3%	Adverse	90,806	20%	Qualified	48,687	6%	Clean	63
Mafia D.C.	Pwani	6,968	1%	Clean	64,736	14%	Clean	50,282	9%	Clean	64
Muleba D.C.	Kagera	30,801	4%	Adverse	15,121	2%	Clean	50,293	4%	Clean	65
Serengeti D.C.	Mara	544,504	86%	Adverse	245,572	38%	Adverse	52,252	6%	Qualified	66
Biharamuro D.C.	Kagera	4,917	1%	Adverse	42,402	7%	Clean	53,315	3%	Clean	67
Iringa D.C.	Iringa	9,125	1%	Clean	0	0%	Qualified	53,479	3%	Qualified	68
Tunduru D.C.	Ruvuma	32,172	4%	Clean	17,798	2%	Clean	53,645	4%	Clean	69
Maswa D.C.	Shinyanga	10,265	1%	Qualified	16,396	2%	Clean	55,046	4%	Qualified	70
Mufindi D.C.	Iringa	479,289	53%	Qualified	1,792	0%	Clean	58,822	5%	Clean	71
Newala D.C.	Mtwara	186,596	21%	Adverse	227,496	27%	Adverse	65,792	6%	Clean	72
Songea D.C.****	Ruvuma	47,127	6%	Qualified	1,972,058	271%	Adverse	66,138	6%	Clean	73
Ilala M.C.	Dar es Salaam	272,322	4%	Clean	711,647	18%	Clean	69,102	1%	Qualified	74
Kilombero D.C.	Morogoro	58,829	7%	Clean	6,865	1%	Adverse	70,913	5%	Clean	75
Mtwara T.C	Mtwara	49,969	10%	Adverse	39,592	10%	Qualified	71,199	7%	Adverse	76
Sumbawanga M.C	Rukwa	20,691	5%	Qualified	17,301	5%	Qualified	73,772	12%	Qualified	77
Ruangwa D.C.	Lindi	83,814	20%	Adverse	47,283	10%	Adverse	81,767	13%	Qualified	78
Kwimba D.C.	Mwanza	172,902	32%	Adverse	39,036	7%	Clean	82,570	7%	Clean	79
Songea M.C	Ruvuma	31,620	5%	Clean	71,223	14%	Qualified	83,032	7%	Qualified	80
Iringa M.C	Iringa	173,721	25%	Qualified	88,509	17%	Qualified	88,665	8%	Qualified	81
Sengerema D.C.	Mwanza	255,392	28%	Qualified	18,069	3%	Qualified	93,775	7%	Clean	82
Tarime D.C.	Mara	130,971	16%	Qualified	131,691	16%	Qualified	94,471	7%	Qualified	83
Liwale D.C.	Lindi	12,027	3%	Qualified	26,642	8%	Qualified	99,041	20%	Qualified	84
Magu D.C.	Mwanza	99,353	12%	Qualified	25,461	4%	Qualified	102,918	8%	Clean	85
Bukombe D.C.	Shinyanga	14,009	2%	Qualified	34,500	7%	Clean	107,689	7%	Qualified	86
Bukoba D.C.	Kagera	8,814	1%	Clean	0	0%	Clean	112,482	8%	Clean	87
Kilwa D.C.	Lindi	21,365	3%	Qualified	47,363	8%	Adverse	118,272	14%	Qualified	88
Lindi D.C.	Lindi	77,447	12%	Adverse	49,221	8%	Qualified	123,829	13%	Qualified	89
Tandahimba D.C.****	Mtwara	266,219	26%	Adverse	570,431	115%	Adverse	125,242	12%	Qualified	90
Kinondoni M.C.	Dar es Salaam	103,529	2%	Clean	156,600	4%	Clean	126,757	2%	Qualified	91
Hanang D.C.	Manyara	36,671	5%	Qualified	99,846	13%	Qualified	145,494	15%	Qualified	92
Kisarawe D.C.	Pwani	305,494	53%	Adverse	354,378	77%	Adverse	147,700	21%	Qualified	93
Bagamoyo D.C.	Pwani	141,137	20%	Qualified	2,165	0%	Qualified	158,916	10%	Clean	94
Sikonge D.C.	Tabora	8,462	2%	Qualified	7,312	2%	Clean	162,839	22%	Qualified	95
Dodoma D.C.****	Dodoma	1,252,457	104%	Qualified	9,281	1%	Clean	169,065	11%	Qualified	96
Bunda D.C.	Mara	408,713	51%	Clean	129,113	19%	Qualified	181,459	56%	Qualified	97
Kongwa D.C.	Dodoma	65,035	12%	Qualified	26,843	4%	Qualified	208,353	28%	Qualified	98
Tabora M.C	Tabora	12,900	1%	Qualified	120,749	16%	Clean	211,139	15%	Clean	99
Mpwapwa D.C.	Dodoma	40,478	8%	Clean	9,309	4%	Clean	246,507	34%	Qualified	100
Mwanza C.C	Mwanza	37,028	2%	Clean	82,351	2%	Qualified	254,346	7%	Qualified	101
Ukerewe D.C.	Mwanza	382,653	67%	Qualified	35,803	7%	Qualified	271,799	32%	Qualified	102
Misungwi D.C.	Mwanza	206,972	37%	Adverse	133,002	27%	Qualified	273,629	35%	Adverse	103
Mkuranga D.C.	Pwani	129,710	21%	Adverse	52,062	9%	Qualified	274,845	34%	Clean	104
Simanjiro D.C.	Manyara	213,513	30%	Adverse	44,631	6%	Qualified	279,648	32%	Qualified	105
Babati D.C.	Manyara	289,086	41%	Adverse	169,524	37%	Qualified	308,979	36%	Qualified	106
Masasi D.C.****	Mtwara	503,608	36%	Adverse	982,673	101%	Adverse	323,718	12%	Clean	107
Kondoa D.C.	Dodoma	434,429	44%	Qualified	78,079	9%	Qualified	426,855	30%	Qualified	108
Dodoma M.C	Dodoma	12,847	1%	Clean	19,785	3%	Clean	492,260	44%	Qualified	109
Mtwara D.C.	Mtwara	392,784	69%	Adverse	256,158	62%	Adverse	511,763	62%	Adverse	110
Igunga D.C.	Tabora	13,240	2%	Qualified	514,609	82%	Qualified	512,730	39%	Qualified	111
Kigoma D.C	Kigoma	133,119	19%	Clean	257,854	39%	Adverse	562,778	37%	Qualified	112
Musoma D.C.	Mara	101,703	14%	Qualified	78,083	11%	Clean	563,371	50%	Qualified	113
Nzega D.C.	Tabora	127,127	12%	Qualified	123,136	17%	Qualified	1,057,033	62%	Qualified	114
Njombe D.C.****	Iringa	225,704	21%	Qualified	68,920	9%	Clean	3,852,889	304%	Qualified	115
Totals		**11,941,313**	**11%**		**11,665,672**	**14%**		**14,970,913**	**10%**		

*Some LGAs are not included due to missing data
**Questioned expenditure includes unauthorised expenditure, unvouchered expenditure, improperly vouchered expenditure, and irregular payments
***Discretionary budget is defined as total recurrent and development expenditure plus own source revenue minus personnel emoluments (salaries)
****LGAs may register questioned expenditure of more than 100% of the discretionary budget if they spend more than they have budgeted. For detailed information, see the original audit reports, which can be downloaded from the Tanzania Governance Noticeboard at http://www.repoa.or.tz/tgn/index.php

Increasing accountability. Improving governance. Reducing corruption. The Government of Tanzania has been tasked with these goals on countless occasions by donors, NGOs, and leaders within Government's own ranks. Indeed it is difficult to read a policy document or listen to a policy speech without encountering one or all of these phrases. However, despite broad consensus on the importance of achieving these goals, it has been more difficult to agree on how to go about doing so.

One strategy that has received considerably less attention is the office of the Controller and Auditor General (CAG). As Tanzania's Supreme Audit Institution, the CAG is the official public finance watchdog.

This report presents selected findings of recent CAG reports for central Government ministries, departments, and agencies (MDAs), and local government authorities (LGAs), which were compiled using public information posted on REPOA's Tanzania Governance Noticeboard. The audit data reveals that while there are several positive trends, overall there is significant room for improvement in terms of financial management at both the local and central government levels. Examining the audit data also raises questions about the current practices surrounding the audit process, and suggests ways in which the Government, Parliament, and civil society can take greater advantage of the information presented in audit reports.

HakiElimu

HakiElimu is an independent civil society organization that seeks to realize equity, quality, human rights and democracy in education and society. It facilitates communities to transform schools and influence policy making; stimulates imaginative public dialogue and organization for change; conducts critical research and inquiry analysis and advocacy; and collaborates with partners to advance social justice. For more information visit www.hakielimu.org or contact info@hakielimu.org

Tanzania Governance Noticeboard at REPOA

The information in this leaflet is taken from the Tanzania Governance Noticeboard (TGN) database on the REPOA website. The TGN is a USAID supported project, implemented by REPOA that collates and presents information that is useful for the strengthening of accountability, transparency, and integrity in Tanzania. The source of the audit data is the reports of the Controller and Auditor General. Research on Poverty Alleviation (REPOA) is an independent, non-profit making, Tanzanian NGO, with the mandate to undertake and facilitate research in the area of poverty and related policy issues. For more information visit www.repoa.or.tz/tgn

HakiElimu enables citizens to make a difference in education and democracy

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