



Press Release, Tuesday, 10 May 2011

Shut down the National Audit Office

For several years now, the government has failed to follow up on the findings and recommendations of the Controller and Auditor General (CAG) and, therefore, missed the chance of improving public financial management. For 2010, for example, the CAG has issued a qualified audit opinion for the Ministry of Health and Social Welfare (MoHSW). Various matters, amounting to Tsh 21 billion, which do not comply with generally accepted accounting principles, have been uncovered during the audit.

While this sum is staggering, it matches the Ministry's poor performance of the past decade in which the CAG has questioned expenditures of about Tsh 215 billion (or about Tsh 22 billion annually). The four main problems accounting for the bulk of these queries are excessive costs related to treatment abroad (Tsh 6.3 billion), salaries paid to non-workers or unclaimed and un-receipted salaries (Tsh 1 billion), unretired imprests (Tsh 6.5 billion), as well as improperly vouched expenditures (Tsh 107.2 billion - referred to a 10 year period).

But blaming the MoHSW alone would be nearsighted since those queries reflect government wide problems. In the report for 2009/10, the CAG questioned an aggregated amount of Tsh 786.5 billion and, accordingly, issued only a qualified audit opinion to 22 MDA's/RAS or Embassies and Missions out of 108. Payments amounting to more than Tsh 382 billion have been made without proper supporting documents, salaries of about Tsh 2 billion have been paid to non-existing staff and outstanding liabilities summed up to Tsh 161 billion. For Local Government Authorities, the overall picture looks the same.

All these queries continue questioning the government's efforts to improve financial management and to reduce the misuse of public funds. The oversight role of the CAG has permanently been reduced to a mere formality as his reports bring forth the same queries every year while neither the Parliament nor the government do anything about it. The CAG himself states, *"In my previous annual general reports on the audit of PA&OBs for the year ended 30th June, 2008, 15 recommendations were issued for implementation. However, up to the time of writing this report all 15 recommendations have not been fully implemented"*

Parliamentary reviews of the audit reports have also failed to bring about financial discipline, integrity and accountability. The three Parliamentary audit committees (Public Accounts, Local Authorities Accounts and Parastatal Organizations Accounts Committee) have been discussing the audit reports but nothing fruitful is coming from these talks. One of the reasons might be that the Parliamentary oversight committees lack power to sanction non-implementation of the CAG's recommendations by the respective authorities. This stalemate raises the question whether public expenditures on the National Audit Office are justifiable.

According to the budget books of the financial year 2010/11, the Parliament allocated about Tsh 30 billion to the National Audit Office. Since the Parliamentarians and responsible ministries do not take the results of the whole exercise seriously, Sikika recommends that these public monies could be used otherwise to improve the wellbeing of Tanzanians. According to the 2010/11 MSD price catalogue, one mosquito net costs Tsh 3,300 and 'Determine HIV 1&2 kit/100' is pegged at Tsh 180,000, hence the Tsh 30 billion for the NAO could purchase about nine million mosquito nets (size 1050x220x56 cm) or 167,000 HIV testing kits.

Sikika, therefore, calls for either implementation of CAG's recommendations for improvement of financial discipline, integrity and accountability, or abolition of the office of the National Office.

Mr. Irenei Kiria

Executive Director of Sikika, P.O. Box 12183 Dar es Salaam,
Tel: +255 222 666355/57, Fax: 2668015, Email: info@sikika.or.tz, Website: www.sikika.or.tz