

INTOSAI conference held at Bratislava, Slovak Republic from 20 to 22 June,2018

MOTIVATING AND EQUIPING SAIs TO CARRY OUT PEER
REVIEWS

“SAI Tanzania Experience”

*Prepared by Prof. Mussa Juma Assad,
The Controller and Auditor General of Tanzania*



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1. The office of Controller and Auditor General of Tanzania



**Prof. Mussa Juma Assad,
The Controller and Auditor General of URT**



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The office of Controller and Auditor General of Tanzania

- The office of the Controller and Auditor General of United Republic of Tanzania is the Supreme Audit Institution of the country,
- which has been assigned the Constitutional responsibility of auditing government receipts and expenditures.
- The primary responsibility of the CAG is to provide the legislators and through them, to the citizens of the country,
- independent assurance on the way the government has collected its revenue, used and accounted for funds approved by Parliament.
- The process of 'reporting' (of its findings and opinions) by the CAG of URT, therefore, is meant to fulfil requirement of Article 143 of the Constitution of our country.



MANDATE OF CAG

- ✓ The Mandate of the CAG of Tanzania is provided under Article 143 of the Constitution of URT of 1977;
- ✓ and amplified under Sect. 13 of the Public Audit Act (PAA) No 11 of 2008.
- ✓ Sect. 9 and 10 of the PAA of 2008 state that the CAG is required to;
- ✓ **examine, inquire into and audit the accounts submitted to him under Public Finance Act, Local government Finances Act and any other written laws**



Tenue and Removal of the CAG

Tenure of Office

- Sect.6(1) the Controller and auditor General shall hold office for the Tenure of fixed term of five years and shall be eligible for renewal of one term only.
- **Removal of CAG**
- Procedures has been prescribed under Article 144 which encompasses the president to appoint special tribunal of which the chairman and at least half of the members should have served as judges from Common wealth countries



Audits Conducted by SAI Tanzania

Sect. 26 – 29 of PAA, 2008 identify the following types of Audits to be conducted by the CAG:

- ✓ ***Sect. 26 Regularity audit(financial and Compliance Audit)***
- ✓ ***Sect.27 Forensic Audit***
- ✓ ***Sect.28 Performance Audit***
- ✓ ***Sect. 29 Any other audit***



Quality Assurance Mechanism of the SAI-Tanzania

- Quality Assurance Unity
- Supporting Mission from Other SAIs
- Peer Review Mechanism
- AFROSAI E Support under ICBF



Transformation of the SAI Tanzania



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Transformation of NAOT

1. In 2005 SAI Tanzania jointed the AFROSAI E as a Member.
2. In 2005 SAI Tanzania requested support from the AFROSAI E & Other donor support to build its capacity of conducting value addition audits.
3. In 2005 The SAI Tanzania was subjected to the through Peer Review as one of the condition from donors.



Peer Review Reports

- **RESULTS OF THE PEER REVIEW CONDUCTED IN 2005**



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Feed back report from Peer Reviewers 2005

The following were the findings;

- SAI Tanzania exists, but everything was very rudimentary, No Audit Manuals and audit guidelines, inadequate number of qualified staff, No Audit Acts, No strategic Audit plan
- The SAI was part of the executive government structure and not independent in most of area.
- The audit work were not organized according to a strategic requirement,
- annual operational or audit work plan and the work were not carried out according to the INTOSAI Code of Ethics.



Feed back report from Peer Revisers

- There was no human resource policy or development plan.
- The audit was not based on manuals aligned with international standards (ISSAIs)
- No performance audit I was been being carried out.
- The SAI was reporting to the Executive, Ministry of Finance or the Presidency.
- *Therefore reviewers concluded that NAOT should be at level one which is lowest level (Founding Level)*



SUPPORT FROM AFROSAI E

- Based on the Finding of the Peer review of 2005 the SAI Tanzania was selected to be among of the few SAIs in the AFROSAI E Region to receive support on Capacity Building of the SAI operations under MDP Program.
- This support covered 5 Domains Recognised by INTOSAI and AFROSAI E
- [ICBF Guideline 2015.pdf](#)
- [..\..\ICBF.docx](#)

Independence and Legal Framework	Organization and Management	Human Resources	Audit Standards and Methodology	Communication and Stakeholder Management
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Compliance ICBF Frame work by SAI Tanzania

- SAI Tanzania Signed an MoU with AFROSAI E and other donors by 2012 to be in level three of the ICBF Requirements
- For a period of six year (2006 -2012) SAI Tanzania was working on the finding raised by peer review conducted 2005.



Pre Peer Review conducted in 2010

- As the way of making sure that the SAI Tanzania was complied with INTOSAI Standards (ISSAI 1,10,12,20,30&40)
- The head of the SAI requested to be subjected to the Pre peer review in 2010 to see to what extent the SAI had implemented the recommendations given as well as capacity building on implementation of Five Domains



RESULTS OF PRE PEER REVIEW CONDUCTED IN 2010



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PEER REVIEW CONDUCTED IN 2010

The review was carried out by the following personnel:

- Two Members from Norway who was also a Team Leader
- Two Members from Netherland



Feedback Report on Peer Review conducted , 2010

- Primary objective of the peer review was to assess the extent to which NAOT fulfils INTOSAI and AFROSAI-E Level 3 requirements. Which was NAOT target to be in level III in 2012
- This includes assessing whether the auditing practice is independent and suitably designed, and whether it is operating effectively.



Feedback from Reviewers

- The PRT observed that Tanzania had fully or partially met the requirements set out in AFROSAI-E level 3.
- There is political will to strengthen NAOT's role and strengthen the independence of NAOT and the CAG
- The legal framework for NAOT's work has also been developed. The Public Audit Act 2008 (PAA) ensures that the Controller and Auditor General is mandated to perform all kinds of audits required by level 3,



Feedback from Reviewers

- and is also free to decide how to conduct such audits.
- There have been improvements as regards staff in recent years. The Controller and Auditor General decides what kind of educational background his staff shall have, and which department they will be assigned to.
- Conclusion ;

*SAIT complied to AFROSAI-E Level 3 requirements.
Which was NAOT target to be in level III in 2012*



Peer Review Conducted in 2012

- Results of Peer Review conducted by AFROSAI E in 2012



Peer Review Team

- The review was carried out by the following personnel:
- Akankunda Godwin - Auditor General's Office, Rwanda (Team Leader)
- Berg Larsen Oivind - Auditor General's office (Alberta, Canada)
- Lars Florin - AFROSAI-E
- Nhlanhla Ngaka - Auditor General's Office - South Africa
- Tom Okungu - National Audit Office - Kenya



Peer Review Team 2012

- The review was carried out by the following personnel:
- Mike McLaughlin (team leader), CCAF
- Henry McGregor, AFROSAI-E Secretariat
- ZubairMotala, SAI South Africa
- RoelofKok, SAI of the Netherlands



Feedback report on the Peer Review conducted 2012

- The NAOT has gone through a tremendous change in the last few years leading it to be a well-known and trusted institution in the accountability-chain of the public sector of Tanzania.
- A new organizational structure has been implemented fully only in the spring of 2012.
- The office has grown considerably in number of employees
- and has also been able to build new premises to move from the premises.



Feedback report on the Peer Review conducted 2012

- The NAOT Strategic plans were developed in a transparent process involving both internal and external stakeholders.
- The budget of the NAOT are debated at a consultative meeting where the CAG meets together with the minister of finance in the Public accounts committee, and it is then passed directly to the National Assembly.
- The accounting process is sound, and built on a robust internal control system.



Feedback report on the Peer Review conducted 2012

- The NAOT comes across as a very transparent institution, its strategic and annual plans, budgets, audit reports and annual reports are all available for the public, and are distributed through different media.
- Audit coverage is now 100 per cent and the audit reports have been finished according to the prescribed timing requirements for the last four years. The NAOT produces performance audits that are tabled and discussed in the National Assembly.



Feedback report on the Peer Review conducted 2012

- There is still a need to work for further formal independence and also to revise the organizational chart to reduce number of units reporting directly to the CAG
- As the office plans to continue to grow considerably in number of employees it will be a challenge to facilitate the assimilation of a high number of people each year.
- Finally the NAOT has been elected to serve on the UN board of auditors.



Peer Review conducted in 2014



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Peer Review Team 2014

- The review was carried out by the following personnel:
- Mike McLaughlin (team leader), CCAF
- Henry McGregor, AFROSAI-E Secretariat
- ZubairMotala, SAI South Africa
- RoelofKok, SAI of the Netherlands



Feed back report from Peer Reviewers

- The NAOT has gone through a tremendous change in the last few years leading it to be a well-known and trusted
- The Office grow in number of employees which while needed to carry out the mandate also brings challenges in terms of recruitment, training and retention of employees.
- In addition NAOT has authority to build new premises, allowing audit staff to move from the premises of the auditees to offices owned by the NAOT.



Feedback from Reviewers

- The NAOT Strategic plan continues to be pursued and this plan has been the driving force for the annual plans and budgets
- The budgets of the NAOT are debated at a consultative tripartite meeting of the CAG and his officials, the minister of finance, and the Public accounts committee.
- The resulting Budget for NAOT was then passed directly to the National Assembly.



Feedback from Reviewers

- The NAOT comes across as a very transparent institution, its strategic and annual plans, budgets, audit reports and annual reports are all available to the public.
- Annual reports on the regularity audits are tabled in the National Assembly.
- The NAOT produced nine performance audits in each year are tabled and discussed in the National Assembly.



Peer Review conducted in 2017



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Peer Review Team 2017

- The review was carried out by the following officers:
- Mr. Bornwell Mpofo SAI of Zambia
- Mr. Joshua Asiimwe Afrosai-E
- Ms. Josephine Kiggundu SAI of Uganda
- Ms. Trena Keats Canada
- Mr. Pierre Fréchette Canada
- Mr. Enock Mogaka SAI of Kenya
- Mr. Benjamin Azinongo SAI of Ghana
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Feedback on Peer Review Report conducted in 2017

- The NAOT has gone through a tremendous change since the last QAR that was undertaken in 2014.
- During this period upon a new Controller and Auditor General, Professor Mussa Juma Assad was appointed as a new Controller and Auditor General.
- The CAG should further enhance all areas leading to full independence in terms of Human Resource Management and financial independence.



Feedback on Peer Review Report conducted in 2017

- NAOT plans relocate to its own premises in Dodoma, Tanzania's capital City the headquarters from its current location in Dar es Salaam. This will enhance further the SAIs physical independence.
- The SAIs strategic and annual plans, budgets, audit reports, annual reports and financial statements are all available to the public. The SAI makes its audit reports available on its Website.



Feedback on Peer Review Report conducted in 2017

- Since 2014 QAR, staffing levels have continued to grow coupled with the SAIs commitment to implement a time-recording system, the SAI executes its mandate effectively.
- Most areas of Human resource management in regard to policy development and implementation conform to the ICBF standards although some improvements are required to fully conform with ISSAI 30 (code of Ethics).



Feedback on Peer Review Report conducted in 2017

- The SAI continues to promote quality in performing its work. This is supported by the fact that the SAI has established a Quality Assurance Unit that is responsible for conducting quality assurance reviews of regulatory and performance audits.
- This commitment is further exemplified by the fact that NAOT won the AFROSAI-E prize for best performance audit report three times, in 2014, 2016 and 2017.



Feedback on Peer Review Report conducted in 2017

- Since 2014 QAR, the Internal Audit Unit has made positive changes that includes reporting to the Audit Committee in its operations which tremendously increases its independence.
- The SAI has also created a Risk Management Unit and although the unit is understaffed, it is a positive intervention towards risk management.



- The current's SAIs Information system makes it possible to run and control operations which makes reporting and access to information timely.
- However, there is a need to connect all regional offices to the central server system.
- Assets of the SAI are safeguarded and properly accounted for.



Why to promote the Peer Review functions



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Benefits accrued from Peer review

It support The SAI to make sure that there is sufficiently broad mandate SAIs should be empowered to audit the;

1. use of public monies, resources, or assets, by a recipient or beneficiary regardless of its legal nature



Benefits accrued from Peer review

3. Auditing of the budget and budgetary processes, performance information and environmental issues of government or public entities

4. quality of financial management and reporting, and. economy, efficiency and effectiveness of government or public entities operations (Mexico Declaration (ISSAI 10), Principle 3)



Organization and Management

In the area of Organization and Management peer review help to covers management tools as plans and how they should be used efficiently, but also the way a manager should behave as a leader.



Area of Audit Standards and Methodology

On the area of Audit Standards and Methodology
Peer Review can help to sure that SAI have ;

Effective Annual Audit Plan covering:
Assessments of constraints, Current issues and stakeholder expectations, Risk assessments in place for prioritizing, clear statement of audit coverage, Activity plans regularity and performance audits and Addressing of backlogs
SAIs



Establishment of Quality Assurance Unit

It help to promote Quality assurances reviews performed by SAI. SAI should establish a monitoring process designed to provide it with reasonable assurance that the policies and procedures relating to the system of quality control are relevant and adequate and are operating effectively.



Head of the SAI,s awareness

It enables SAIs heads and senior management to

- Have a high level overview of the SAI's performance
- Promote and communicate the value and benefits of the SAI
- Identify barriers to improved performance
- Track performance change over time



Knowledge Sharing

- Explores how SAI external performance is supported & constrained by;
- Country context and PFM environment
- SAI Environment
- SAI external capability
- SAI resources
- Selected to audit United Nations for six years (2012 to 2018)
- Receive enough fund from government for auditing purpose



Benefits received by SAI Tanzania from Peer Review

- Increase level of qualified auditors
- Conduct various types of audits such as Performance audits, Forensic audits, Environment audit, compliance audits
- Upgraded the SAI from Level one to level three of the Regional performance which is recognised and AFROSAI E
- Get support from Donors to perfect the SAIs Operations



END OF PRESENTATION



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**THANK
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