

Meeting of the INTOSAI Working Group on Value and Benefits of SAIs



September 19-21, 2018 • Kingston, Jamaica



# IMPLEMENTATION OF ISSAI 12 “A case of National Audit Office of Tanzania”

Presented by: Wendy Massoy



# PRESENTATION OUTLINE



- Introduction
- ISSAI 12
- Specific focus
- Measures taken
- Impact observed
- Conclusion



# 1. Introduction



- The audit mandate of the CAG is provided under Article 143 of the Constitution of the United Republic of Tanzania of 1977 as amplified by Sect. 10 of the Public Audit Act No. 11 of 2008.
- NAOT is active member of AFROSAI-E
- NAOT follows ICBF Model that consists of five domains of institutional development namely
  - Independence and Legal Framework
  - Organization and Management
  - Human resource management
  - Audit standards and methodology
  - Communication and stakeholders management

# 2. ISSAI 12



**PRINCIPLE 3**  
Enabling those charged with public sector governance to discharge their responsibilities in responding to audit findings and recommendations and taking appropriate corrective action

**PRINCIPLE 2**  
Carrying out audits to ensure that government and public sector entities are held accountable for their stewardship over, and use of, public resources

**PRINCIPLE 4**  
Reporting on audit results and thereby enabling the public to hold government and public sector entities accountable

Strengthening the accountability, transparency and integrity of government and public entities

**PRINCIPLE 1**  
Safeguarding the independence of SAIs

**PRINCIPLE 5**  
Being responsive to changing environments and emerging risks



**PRINCIPLE 12**  
Capacity building through promoting learning and knowledge sharing

**PRINCIPLE 11**  
Striving for service excellence and quality

**PRINCIPLE 6**  
Communicating effectively with stakeholders

Demonstrating ongoing relevance to citizens and other stakeholders

Being model organisations through leading by example

**PRINCIPLE 10**  
Complying with the SAI's code of ethics

**PRINCIPLE 7**  
Being a credible source of independent and objective insight and guidance to support beneficial change in the public sector

**PRINCIPLE 8**  
Ensuring appropriate transparency and accountability of SAIs

**PRINCIPLE 9**  
Ensuring good governance of SAIs



ASF



# 3. Focus of the presentation



Focus of the presentation is on Principles No. 3, 6 and 7 of ISSAI 12

- Strengthening the accountability, transparency and integrity of government and public sector entities
  - Principle 3: Enabling those charged with public sector governance to discharge their responsibilities in responding to audit findings and recommendations and taking appropriate corrective action.
- Demonstrating ongoing relevance to citizens, Parliament and other stakeholders
  - Principle 6: Communicating effectively with stakeholders
  - Principle 7: Being a credible source of independent and objective insight and guidance to support beneficial change in the public sector

# Relationship between Principle 3, 6 & 7 of ISSAI 12 and ICBF Domains



## Principle 3

- Audit standard and methodology
- Communication and Stakeholders management

## Principle 6

- Communication and stakeholders management
- Organization and Management

## Principle 7

- Independence and Legal Framework
- Audit standards and methodology
- Communication and stakeholders management



# Principle 3: Enabling those charged with Public Sector Governance



## Measures taken to implement Principle 3

### Auditee

- Conduct entry meeting – Present key audit aspects
- Communicating issues noted during execution of the audit
- Provide them with draft report
- Conduct exit meeting – Facts clearance
- Provide them with final audit report with recommendation

### Parliament

- Provide them with audit report
- Participate in the press releases
- Provide them with audit report briefs
- Invited in workshops on understanding CAGs report

### Media

- Invite them during press releases
- Participate workshops on briefing about audit reports

# Principle 3: Enabling ...



## Citizens

- Access audit reports
- Provide them with citizens audit report

## Other

- Conducting working session attended by Cabinet, Regional Commissioners and Accounting Officers (Central & Local Government)
- Identification of common audit findings in government operations :  
Weaknesses in internal audit functions  
Weaknesses in payroll systems





ASF



# Principle 6: Communicating effectively with stakeholders



## Measures taken to implement Principle 6

- Improving interaction with stakeholders
  - Development of Communication Strategy to enhance communication
  - Conducting accountability conference with stakeholders
  - NAOT has been engaging citizens in the audit process during planning and reporting even before the launch of this project.
  - Performance audit reports subjects are formulated through a number of ways including reported problems in the media which originate from the citizens.
  - Communication with citizens through seminars, forums and workshops, live TV and Radio programs, exhibitions and trade fairs.



# Principle 6: communicating effectively.....



- NAOT website allows members of the public to tag any information available on the website to social media like Facebook and Twitter and allows submission of comments.
- Engagement of media and CSOs in dissemination of CAG reports
- Conducted special CSOs and Media workshops to engage more stakeholders and receive immediate feedback from various stakeholders and the Public.
- CAG general reports are translated into Kiswahili version by CSOs to enable a large population to understand the reports.
- Communication of a more summarised report tailored for the citizen.



Principle 7: Being a credible source of independent and objective insight and guidance to support beneficial change in the public sector



## Measures taken to implement Principle 7

- Conducted audits are based on manuals aligned with ISSAIs
- NAOT consulted to be resource persons in seminars organized to:
  - Senior Government officials
  - Accountants and auditors;
  - Procurement specialist *Procurement* and Supplies Professionals and Technicians
- The NAOT provides capacity building to Parliamentarians to help them understand their role and relationship they have with the NAOT.



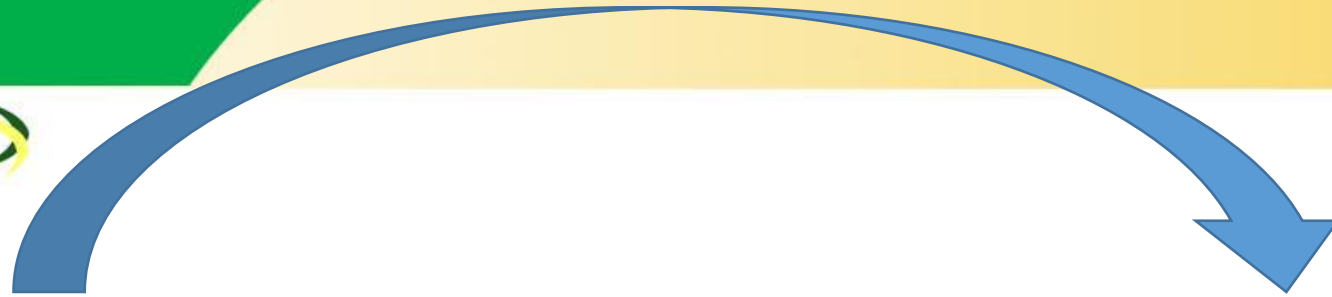
ASF



## PRINCIPLE

# 3

- Increased credibility on CAG's audit report
- Improved level of implementation of audit recommendations e.g. Government formed a committee to work on outstanding audit recommendations, etc.
- Improved Governance Structures in the Ministries and Local Government Authorities e.g. formation of Internal Audit Functions, Audit Committees, etc.
- Increased demand for the publication of more performance audit reports
- NAOT is a members of committee advocating for improved accountability and good governance



# PRINCIPLE



- Effective Parliamentary Oversight Committees i.e. POC can exercise their oversight function and Parliament can hold the Government to the account;
- CAG's audit reports are widely reported by Media and this contribute to having well informed citizens on matters regarding their developments;
- CAG's audit reports are discussed by CSOs e.g. Policy Forum Breakfast debate;
- CAG's audit reports are cited by the academicians;
- Increased need for audit reports (e.g. Performance audit) among different stakeholders e.g. citizens



ASF



# PRINCIPLE

7

- Introduction of the Office of Internal Auditor General under the Ministry of Finance
- Separation of Regulatory and Operational Function e.g. Introduction of Petroleum Upstream Regulatory Authority (*PURA*)
- Streamlining pension system in the country e.g. Merger of 4 pension funds - *PSSSF* was formed after the merger of the Parastatal Pension Fund, Public Service Pension Fund, Local Authorities Pension Fund and Government Employees Provident Fund.
- Improved tax system and its governance e.g. Review the implementation of tax laws particularly on the issuance of tax exemption
- Cleansing of staff database e.g. The Government formed a task force to conduct a special exercise to identify Ghost Workers in various Government Institutions in 2015/16.
- Increased revenue after addressing weaknesses contributing to revenue losses e.g. implementation of the audit recommendation



# 9. Conclusion



- Parliamentary Oversight Committees, Civil Society Organisations and Media are in a better position to have in-depth insights of the citizens' concerns. As such, they are better positioned to assist NAOT in delivering its expectations to the public.
- Well informed on the NAOT's work enables them to assess and question issues relates to inadequate accountability, transparency and integrity of government and public sector entities operations.
- This has not only created awareness of the work being done by NAOT, but also has given NAOT new insights into the issues that affect the lives of the people.
- Hence, demonstrate the value and benefits of NAOT in enhancing accountability and transparency in the collection and use of public resources.



**Thank you for listening!**