

STATEMENT BY THE POLICY FORUM'S BUDGET WORKING GROUP (BWG) ON THE 2011/2012 CAG's REPORT

Introduction

Last week, the Controller and Auditor General (CAG) tabled in the Parliament the annual general report of the CAG on the financial statements of the central government for the year which ended June 30, 2012 in compliance with Article 143 of the Constitution of the United Republic of Tanzania and Section 34 of the Public Audit Act No. 11 of 2008. The report highlights some of the issues that impede the efficiency of Central government, Local government, Public Authorities and other bodies in realizing their objectives. The main purpose is to draw the attention of the Executive, Legislature, Judiciary, Development Partners and the general public about the state of public finances as well as give recommendations on how to address any shortcomings.

For years now, the parliament has developed an impeccable precedent on how MPs debate and respond to the CAG's report upon being submitted to house pursuant to section 34(2), 35(2), 37(3) and section 38(1) & (2) of the Public Audit Act No. 11 of 2008. One among the remarkable precedent that will be left as a legacy to generation is that of April 2012 where MPs across party lines said enough and demanded the resignation of at least eight ministers over CAG's revelation of corruption and embezzlement of public funds. This made history on our efforts to claim accountability and brought trust and respect to the house from the eyes of the public.

Unfortunately, while the public is awarding credit and trust to their representative, the Parliament does not seem to appreciate all this and takes for granted the trust to handle business on our behalf, and the house is at move to waive the tax payers' role on deciding affairs of their country. The recent attempt to amend the Public Audit Act (House Hansards of 8th of February 2013), and abolition of the Parastatal Organizations Accounts Committee (POAC) are among the parliament's action that should warn us the house serves not to our interests but rather to self-interest. Policy Forum's BWG would wish to alert the public that according to the amendment (as passed on 8th of February 2013) of section 38 (3) of the Public Audit Act requires the report of the Controller and Auditor-General to be laid before the National Assembly concurrently with a consolidated response and action plan that is to be prepared by the Paymaster General. This, in turn, prevents the National Assembly from discussing the CAG report until the Paymaster General received and consolidate the response and action plans of all audited institutions. We are now observing that the Parliament discusses the budget estimates without taking the Auditor-General's report and the Paymaster General's response and remedial action plans into account. But it is critical that the Parliament considers those response and action plans *before* it approves the budget of ministries to ensure the custody and safety of public money

Surprisingly, and as if the attempt of February 2013 was not enough, soon after the CAG has complied to the statutes by presenting his 2011/2012 audit report, the parliament during a media briefing on Monday, 4th of April 2013, through the National Assembly's Assistant Director of Information, Mr Deogratius Egidio explained to the journalists that due to limited time and the change of timetable, the CAG reports was not going to be discussed during the ongoing budget meeting." (Source: Alvar Mkakyusa. "Tanzania: Bunge Session Kicks Off on Tuesday in Dodoma" 9th April 2013. Internet; www.AllAfrica.com

We, the Members of the Budget Working Group (BWG) from among CSOs, regret to inform the public that, we have done our homework from among the trusted sources and the Monday 4th press briefing was not a joke, this year's CAG Report which, although was submitted before Parliament, will not be discussed in the House. Although the requisite to a discussion is not explicitly stated, BWG takes this as a serious violation of the developed precedent which has for years interpreted the provisions of the Public Finance Act, Public Audit Act and the Constitution to the effect that THE PARLIAMENT then upon receiving the CAG report is supposed to discuss the reports and enquire explanation and recommend actions to be taken. The parliament should understand that this interpretation and precedent has been adopted by the public and they are kin waiting to hear from them over the CAG's findings.

If the Parliament insist not discussing the report for whatever good reasons they might have, BWG takes that as betrayal to their own people and action could actually means eroding the value and importance of having CAG conducting public audit because the law does not give him mandate to sanction nor order actions to be taken to the faulted, the parliament has that power and it is obliged to account to the public on the action taken.

Decision to abolish POAC & attempt to amend the Act No 11, 2008

The Public Accounting Act, section 38(1) directs the Public Accounts Committee, Local Authorities Accounts Committee(LAAC) and Parastatal Organizations Accounts Committee (POAC) that they "must" (Shall) discuss the reports of the Controller and Auditor-General after they have been tabled in the National Assembly. Section 38(2) states "upon completion of hearings, the Parliamentary Oversight Committees shall prepare and submit to the National Assembly reports which may include comments and recommendations. Reading between the lines and relating to what the parliament has done this year, obvious section 38 of Act No 11, 2008 has been clearly violated. Now according to the changes neither the oversight committee nor the parliament will discuss the report.

However the recent decision of the Speaker of the National Assembly, Hon. Anne Makinda announcing to abolish the Public Organizations Accounts Committee (POAC) and merging its duties with those of the Public Accounts Committee (PAC), is clearly going against section 38 of principal Audit Act which recognizes and vests mandate to the POAC. This will also lead to miscarriage of justice and BWG supplements CAG's concerns that PAC will not manage to perform even half of its duties by these changes. According to the CAG Mr. Ludovic Uttouh, merging the functions of the parliamentary POAC to PAC implies that PAC will not be able to handle its oversight functions effectively because it will be overwhelmed with work. He noted that merging of PAC and POAC was not a sound decision because even before the merger, PAC was already overwhelmed. "The trend shows that PAC hardly fulfilled its obligations each year... now that we have added public organisations to it, I think it needs miracles to work effectively," is reported to have observed.

BWG recommends that POAC be restored and the Parliament should find some time to discuss the CAG report. We are aware that the CAG's authority is confined to giving opinions and recommendations. Parliament is the only independent body that has powers not only to discuss, analyze but also order and take action against the Government. It should not run, from its responsibilities.