CAG exposes blatant non-compliance of Procurement Act

approved budget as opposed to 94 per budget collection in the 2015/16 financial year.

"This shows a decrease in the government's capacity to collect up to the approved budget, which is not a sign of improved financial accountability," he said.

The factors that led to the decrease of the government's collection were under-collection in net tax revenues for about 38.40 per cent; the GBS, external borrowing and assistance for 46.57 per cent. Government agencies also source collections could also cover only 16 per cent of the recurrent and development budget, which also created a push for the establishment of these entities. Hence the government was strongly advised to assess the economic viability of these agencies, he said.

Regarding local government authorities' revenue collection, according to CAG report for 2016/17 financial year, LOAs collected Shs.530.56bn from their own sources, equivalent to 83 per cent of the approved budget of Shs.82.62bn.

For example, he said CAG noted payments that were not supported by EFD receipts from five entities amounting to Shs.83 million which is an increase of Shs.83.85 million equivalent to 93 per cent increase as compared to the same non-compliance issue reported last year. The reasons are internal control systems lead to the increase in the cost of running the government and budgetary expenditure. In most cases, it leads to inefficient credit and waste.

Further, he reiterated that the CAG's report showed that, approximately only 28 per cent of the total cost of the Development Budget was utilized by LOAs.

The CAG also raised alarm that the government has continued to collect revenue through the aid machinery pending rulings, inadequate capacity in handling tax objections, poor controls on exempted fuel import duties for consumption in zones across the country.

"In conclusion, the government's capacity to collect up to the approved budget, which is not a sign of improved financial accountability" he said.

"The above situation clearly demonstrates decrease in the state of financial accountability in project management," he pointed out.

The Minister further revealed that more than 20 per cent of the government expenditure is in procurement. The CAG's report indicates the following weaknesses:

- Goods and services costing Shs.31.37 million were paid for but not delivered to 5 LOAs. 25 LOAs received processed goods worth Tsh.642.31 million without being inspected by the inspection committee and only to Regulations Nos. 424 and 425 of the Act.

He also noted a sum of Shs.4.1 billion was paid by 32 LOAs for procurement of works, goods and services without following a competitive bidding process.

"Therefore, the above situation clearly demonstrates decrease in the state of financial accountability in project management," he pointed out.

"This is due to the fact that most of the government expenditure is in procurement. The CAG's report indicates the following weaknesses:

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