



# Guardians of accountability

## Citizen knowledge and opinions regarding oversight bodies



### 1. Introduction

How can citizens and parliaments know that government is spending their money well? As in many other democracies, the parliament of Tanzania forms specialised committees to help it maintain financial oversight and ensure accountability of government operations. The Public Accounts Committee (PAC) is responsible for financial oversight of the national government and public authorities; and the Local Authority Accounts Committee (LAAC) is responsible for the financial oversight of local governments. PAC and LAAC need information to perform their tasks effectively, and this information is generally provided by the National Audit Office of Tanzania (NAOT), headed by the Controller and Auditor General (CAG).

The mission of the NAOT is: “To provide efficient audit services, in order to enhance accountability and value for money in the collection and use of public resources.”<sup>1</sup> To do this, the CAG issues yearly audit reports on various government bodies, including ministries, executive agencies and local government authorities. It is clear that the triangular relationship between Parliament, the executive, and the audit bodies is the cornerstone of modern public financial management. But are citizens in Tanzania aware of the important work these institutions perform? And do they believe issues of public money are their concern?

This brief reports the most recent nationally representative data around citizens’ views on the work of three national financial oversight bodies: the PAC, the LAAC and NAOT. Data are from the 25th round of *Sauti za Wananchi*, Africa’s first nationally-representative high-frequency mobile phone survey ([www.twaweza.org/sauti](http://www.twaweza.org/sauti)). A total of 1,474 respondents

<sup>1</sup> <http://nao.go.tz/>

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were reached between September 23 and October 6, 2014. It should be noted that data collection began after the announcement of the retirement of former CAG, Mr Ludovick Utuoh (15 September 2014) and was completed before the tabling of the Escrow report in Parliament (26 November 2014) and the appointment of the current CAG, Professor Mussa Juma Assad.

The key findings are:

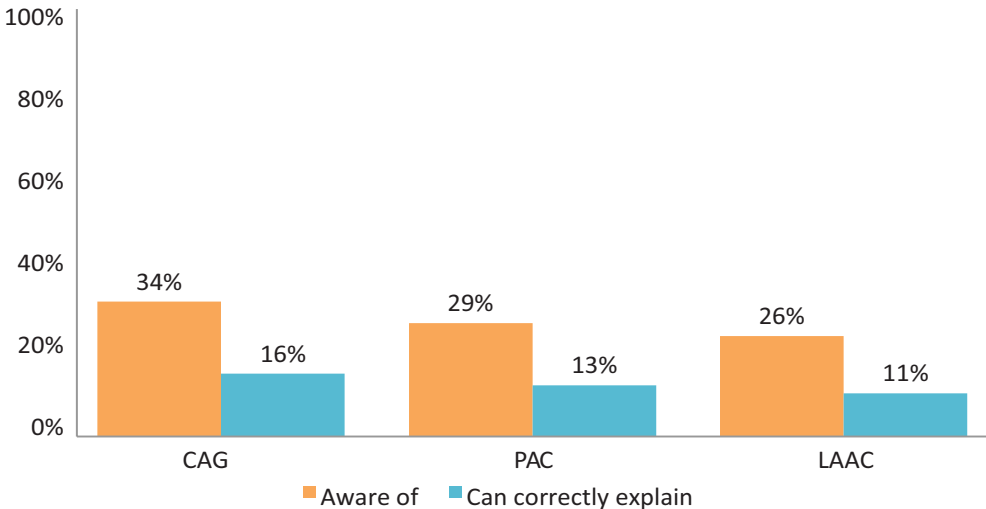
- Just over one out of ten citizens are aware of or can correctly explain the function of the various oversight bodies.
- Nine out of ten citizens believe there is corruption in government.
- Two out of three citizens believe the audit and oversight bodies are not fully independent.
- Seven out of ten citizens think that corruption entails the loss of “their own” money.
- One out of three Tanzanians is interested in audit findings being discussed on live radio shows weekly.

## 2. Seven facts about citizens’ knowledge of government audits and oversight bodies

### Fact 1: One out of three are aware of accountability mechanisms

Most people have not heard of the Controller and Auditor General (CAG), Parliament’s Public Accounts Committee (PAC), and the Local Authority Accounts Committee (LAAC). One out of three citizens have heard of the CAG, but only one out of six could explain what it was (Figure 1). Similarly, approximately one out of four citizens have heard of the PAC and the LAAC, and one out of ten could explain them (Figure 1). In general, educated, wealthier, or male respondents were more likely to have heard of one of the three offices (data not shown).

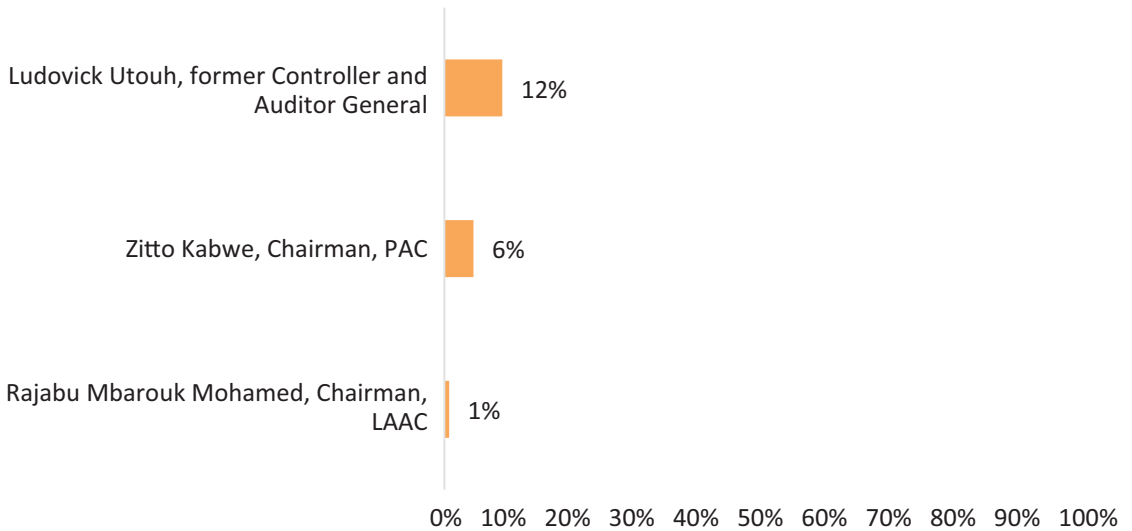
**Figure 1: Percentage of people that have heard of and can correctly explain the function of financial oversight bodies**



**Source of data:** *Sauti za Wananchi* Mobile Phone Survey- Round 25 (September-October 2014)

Respondents were also largely unable to correctly name the heads of these institutions: 12% correctly identified the Controller and Auditor General, Ludovick Utouh<sup>2</sup>.

**Figure 2: Percentage of people who can name the heads of financial oversight bodies**



**Source of data:** *Sauti za Wananchi* Mobile Phone Survey- Round 25 (September-October 2014)

**Fact 2: Most citizens cannot recall achievements from these offices**

Similarly, most citizens who were aware of these institutions could not recall any of the achievements of these three offices in the last three years. Most respondents were unable to identify a specific achievement, however very few (5% to 6%) believed the offices had achieved nothing (Figure 3). This is in line with low levels of awareness of corruption

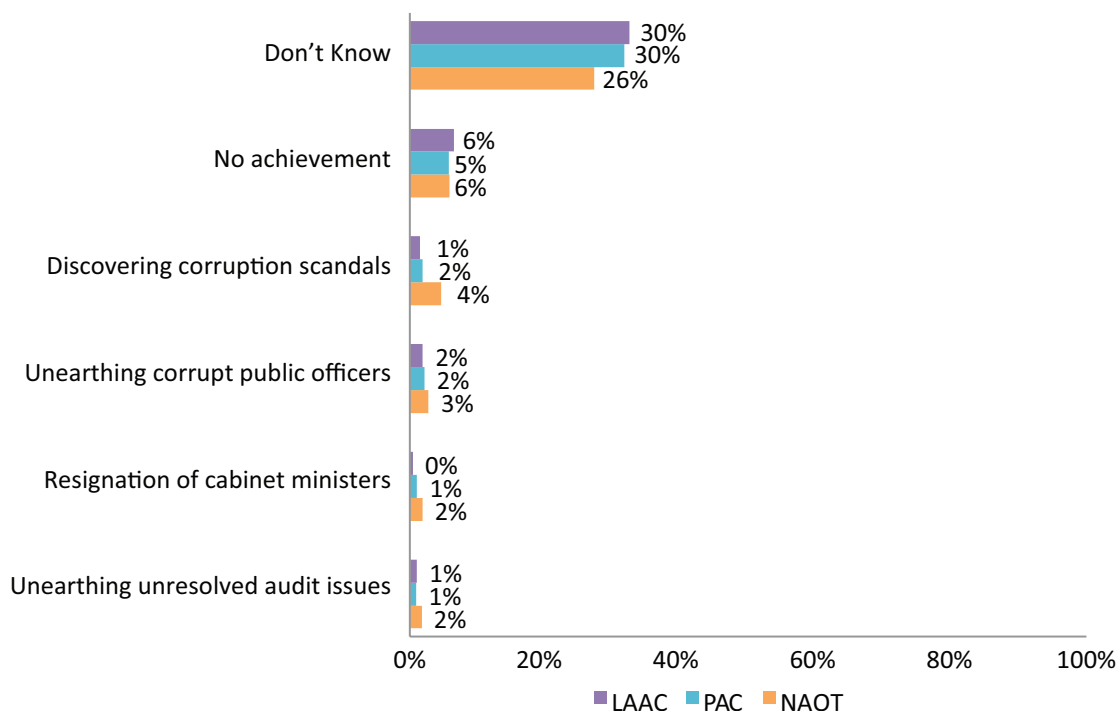
scandals – many of which are unearthed and documented by the NAOT and the oversight bodies – as was shown in previous *Sauti za Wananchi* data on corruption<sup>3</sup>.

It should be noted that this brief’s data was collected before the tabling of the Escrow report in Parliament (which began in November 2014). This report may have affected the results presented here.

<sup>2</sup> Mr Utouh was outgoing CAG during the interviews, as he announced his resignation the week before data collection began. On 5 November 2014, Professor Mussa Juma Assad was appointed as the new CAG.

<sup>3</sup> “Have more laws, agencies and commitments against corruption made a difference?” August 2014. *Sauti za Wananchi* Policy Brief No. 14.

**Figure 3: Can you identify any achievement made by the following office in the last three years?**



**Source of data:** *Sauti za Wananchi*, Mobile Phone Survey- Round 25 (September-October 2014).

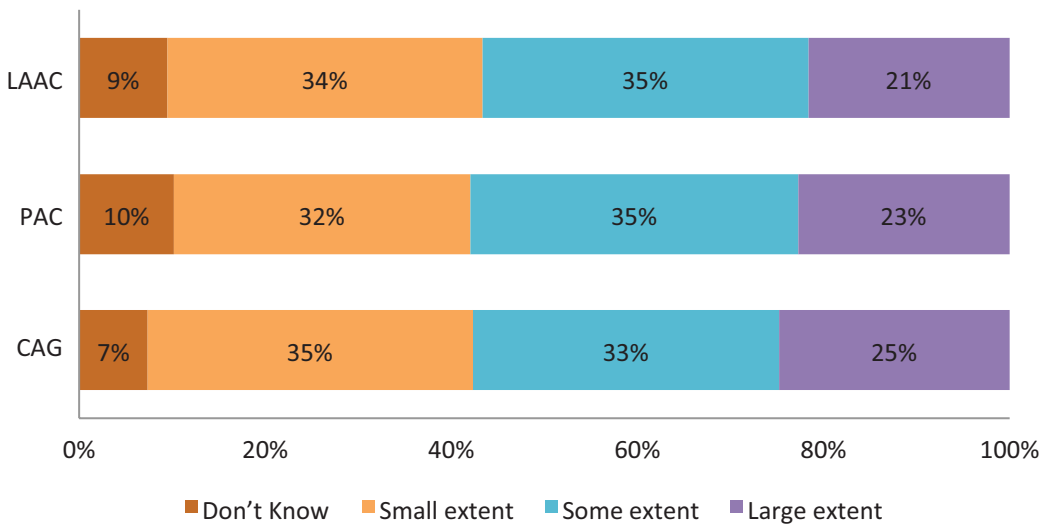
*Chart represents people who had heard of at least one of the three oversight bodies. Categories with less than 1% are not included in the chart; hence, above chart may not add up to 100%.*

### **Fact 3: Most citizens do not believe audit bodies are independent**

One of the crucial characteristics of any auditing body is its independence from the state bodies which it audits. Without full independence, the quality and nature of the auditing process cannot be guaranteed.

Tanzanians are somewhat sceptical regarding the independence of the CAG, PAC and LAAC. About one out of three believes the CAG is independent only to a “small” extent, one out of three believes it is independent to “some extent”, and one out of four believe it is largely independent (Figure 4). This distribution holds for the PAC and LAAC as well. This means that two out of three citizens believe that their auditing bodies are not fully independent.

**Figure 4: To what extent do you believe oversight bodies are independent?**



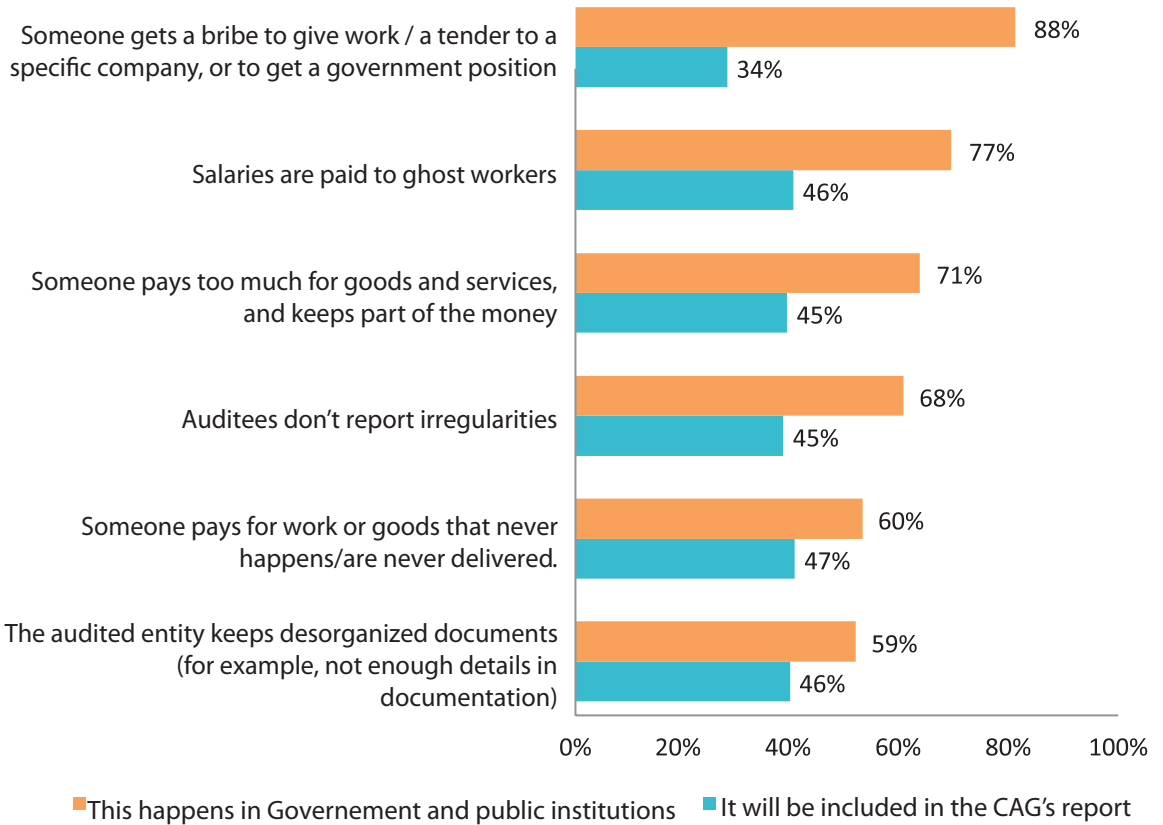
**Source of data:** *Sauti za Wananchi*, Mobile Phone Survey- Round 25 (September-October 2014)

### **Fact 4: Nine out of ten citizens think there is corruption in government**

When presented with a list of hypothetical situations related to different forms of corruption in the government, a majority of citizens (more than 50% in each case) believe these happen in reality. Yet far fewer think that these will appear in the CAG report. In other words, most Tanzanians believe that corruption is under-reported.

For example, almost nine out of ten citizens believe that companies bribe government officials in order to win contracts - but only 34% believe this type of corruption will appear in the CAG's report (Figure 5). We may speculate that this is because citizens see the difficulties inherent in discovering this type of corruption. Similarly, eight out of ten citizens believe that salaries are being paid to ghost workers; about half believe that this will be reflected in the CAG's report (Figure 5).

**Figure 5: Do you think it happens? Do you think it will be included in the CAG’s report?**



**Source of data:** *Sauti za Wananchi*, Mobile Phone Survey- Round 25 (September-October 2014)

### Fact 5: Seven out of ten see corruption as a loss of their money

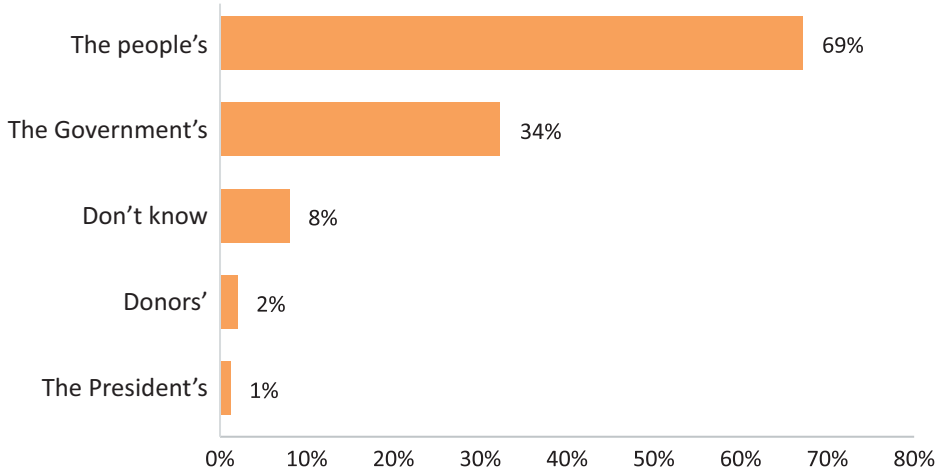
Three specific situations were described in the 2012/2013 CAG’s report. These were:

1. In September 2012, 11 utility vehicles were bought by the Ministry of Industry and Trade for a Tan Trade project. These vehicles were never delivered.
2. Revenue collections from 31 Local Government Authorities (LGAs) totalled TZS 585.5 million (approximately USD 351,000). This was never banked nor remitted to the LGAs.
3. The Tanzania Ports Authority (TPA) spent TZS 2.5 billion (approximately USD 1.5 million) to purchase eight oil pump meters. These were abandoned soon after as being unusable.

We described these three occurrences to respondents. We then asked the question: in these three cases, in your opinion, whose money was lost? Seven out of ten citizens (69%) believe it was their money which was lost (Figure 6). Further, eight out of ten believe that this affects them either “somewhat” or “very much” (Figure 7).

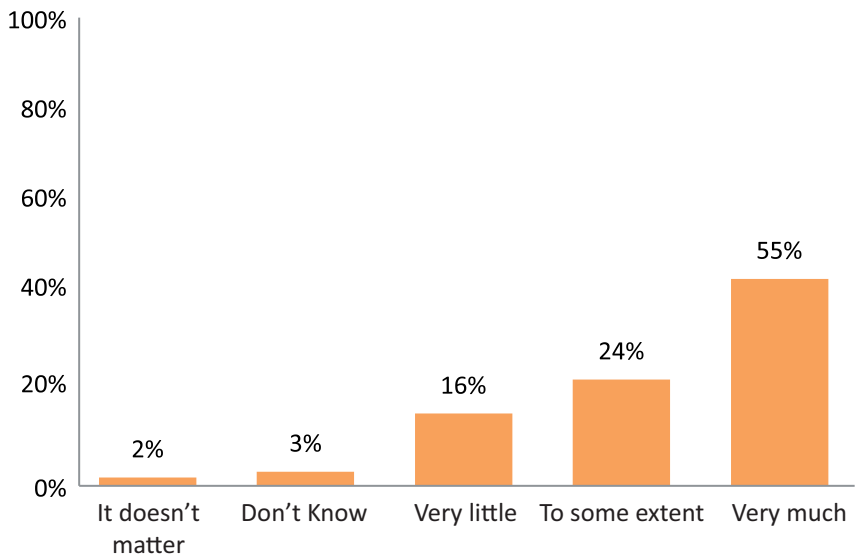
We also asked respondents which of the three cases they were most interested in hearing more about. The largest number of respondents (41%) were most interested in hearing more about lost LGA taxes (data not shown). This may indicate the immediacy of LGA taxes for most citizens: this is money that directly affects their community.

**Figure 6: In these three cases, in your opinion, whose money was lost?**



**Source of data:** *Sauti za Wananchi*, Mobile Phone Survey- Round 25 (September-October 2014)

**Figure 7: How much do you think this matters to your daily life?**

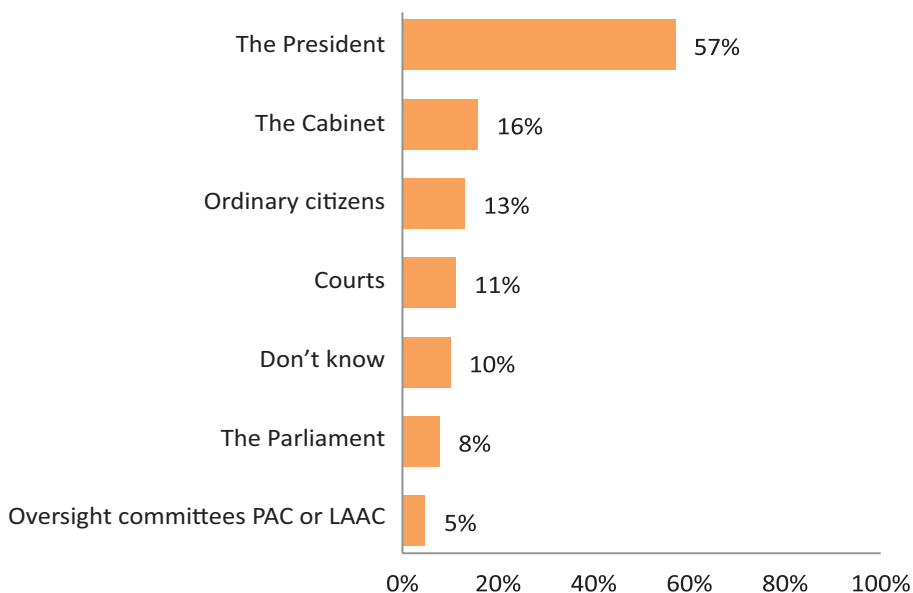


**Source of data:** *Sauti za Wananchi*, Mobile Phone Survey- Round 25 (September-October 2014)

## Fact 6: Six out of ten expect the President to act against corruption

Data from a previous *Sauti za Wananchi* survey show that 71% of Tanzanians trust the President either “somewhat” or “a lot”<sup>4</sup>. Consistent with that, nearly six out of ten citizens (57%) believe that the President should take action on the outcomes found in the 2012/2013 CAG report (Figure 8). As a comparison, only one out of twenty (5%) believe that the oversight committees – PAC and LAAC – should be the ones to take action while one out of ten (13%) think ordinary citizens should take action.

**Figure 8: Who should take actions on the outcomes of the CAG’s report?**



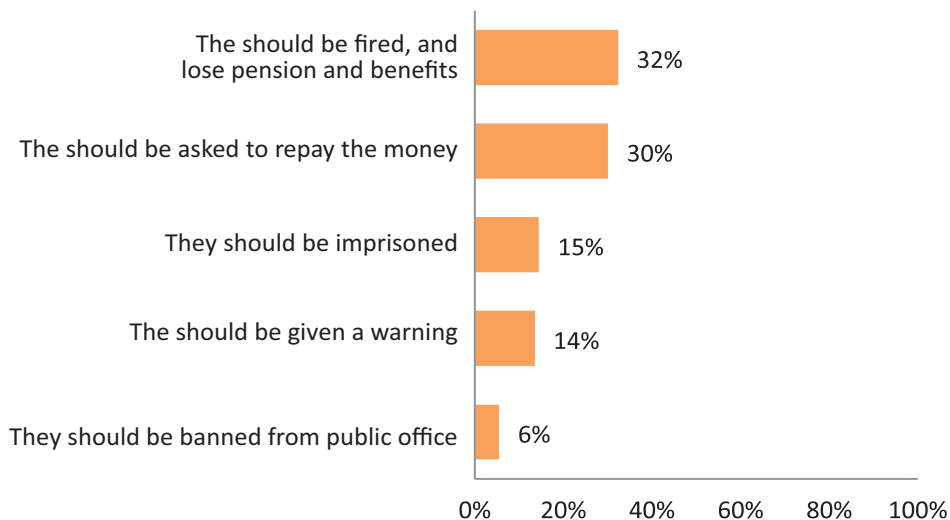
**Source of data:** *Sauti za Wananchi*, Mobile Phone Survey- Round 25 (September-October 2014)

What are the actions that citizens expect to be taken against those found guilty of corruption and other illegal acts described in the CAG report? Three out of ten (32%) say those found guilty should be fired and three out of ten (30%) say the individual should be asked to repay the funds (Figure 9). Imprisonment, official warnings or banishment from public office are only mentioned by small minorities of respondents.

<sup>4</sup> “Citizens making things happen.” September 2014. *Sauti za Wananchi* Policy Brief No. 15.



**Figure 9: What action should be taken against those found guilty of illegal actions in the CAG report?**



**Source of data:** *Sauti za Wananchi*, Mobile Phone Survey- Round 25 (September-October 2014)

## **Fact 7: Radio is the most popular option to disseminate news about the Government’s auditing processes**

As we saw in Fact 1, most Tanzanians are unaware of both the existing government bodies meant for auditing and oversight, as well as the achievements of those offices. Yet this does not necessarily mean they are not interested. Quite the opposite, more than half believe that the CAG report’s findings directly impact them (see Fact 5). So how can Tanzanians learn more about these findings?

When asked how to deal with the lack of follow-up on the CAG report, and how to disseminate CAG findings more generally, citizens point to radio. About one out of three citizens believe that a weekly half-hour radio program to discuss audit findings and their follow-up should be established (Table 1). The next most popular option was that a new body should be set up to follow up on audit reports – this was suggested by 27% of respondents (Table 1).

**Table 1: How should the lack of follow up on the CAG report be addressed?**

We should establish a weekly half hour program on radio just to discuss audit findings and follow up	31%
We should set up a new body to follow up on audit reports	27%
Parliamentary Committees PAC or LAAC should be given special legal powers to take action against institutions or individuals	25%
We should withhold budgets for institutions or authorities with unresolved audits	8%

We should continue with business as usual	4%
Don't Know	4%
We should stop auditing	1%

**Source of data:** *Sauti za Wananchi*, Mobile Phone Survey- Round 25 (September-October 2014)

Similarly, the preferred method for disseminating CAG findings more generally is to have a live radio broadcast of the report's presentation to Parliament (57% of citizens selected this).

### 3. Conclusion

This brief reports recent findings on citizen knowledge of Tanzania's financial oversight systems and their opinions regarding corruption, audits and accountability. What becomes quite clear is that the three national oversight institutions and their achievements are not well known among the general population. At the same time, the oversight bodies address issues which citizens care about and which are relevant to their lives. In fact, almost one out of three citizens (31%) would like audit findings to be discussed weekly on the radio.

In particular, when hearing about concrete corruption cases as described in the 2012/2013 CAG report, citizens say they feel affected and that it is their money that is being misused. How should misuse be addressed? Most citizens (57%) feel it is the President who should take action to follow up. Fewer citizens think that other institutions, such as the Cabinet (16%) and the courts (11%) should take action on corruption, not much different from the 13% who say that ordinary citizens should be responsible for acting on unresolved audit queries.

Another noteworthy finding is that citizens appear to be relatively forgiving for what could be serious criminal offences. For example, very few indicate that corrupt officials should be imprisoned or banned from public office. This raises the issue of accountability and legal impunity: most observers agree that without strong legal sanctions, incentives for being honest are lower and accountability will continue to be elusive. Ultimately if public opinion does not demand firm consequences for corruption, public officials are unlikely to face appropriate sanction and will be able to continue with a 'business as usual' approach to public funds.

In contrast, this level of forgiveness is not necessarily applied to more immediate, local forms of theft. *Sau i za Wananchi* reported previously that theft within communities is often met with violent reaction.<sup>5</sup> Although the muted response to corruption is hard to explain, one possibility is that citizens have low levels of trust that state institutions will address these cases. This may include the three financial and other oversight bodies but also explicitly relates to the police and the judiciary. Citizens perceive these as the most corrupt organs of state.<sup>6</sup> For any of these institutions, whether of financial or

<sup>5</sup> "Are we safe?" March 2014. *Sauti za Wananchi* Policy Brief No. 9.

<sup>6</sup> The Citizen, 7 February 2015, PCCB now features on corruption list, <http://www.thecitizen.co.tz/News/national/Anti-graft-watchdog-on-list-of-shame--says-study/-/1840392/2615764/-/hsxyd5z/-/index.html>

legal oversight, to act effectively relies on political will and good behaviour within the organizations themselves. Yet the public may doubt capacity in this regard.

For example, in a very long list of audit queries in his 2012-13 report on the financial statements of the Central Government<sup>7</sup>, the CAG found overpayment for goods in the Prime Minister's Office and confiscated goods that went missing from a police station.<sup>8</sup> Citizens are thus correct in being sceptical about who finally will act on corruption.

Moreover, the CAG has been reporting about public financial irregularities for years and in many cases the issues raised are not resolved. The 2012-13 report shows that out of a list of 960 of the previous year's CAG recommendations, only 401 (42%) were fully implemented by Ministries, Independent Departments and Executive Agencies (MDAs), resulting in a list of outstanding CAG queries with a total value of TZS 636,849,769,109 (around USD 368 million). This amount, if somehow recovered, would have been sufficient to finance about 5% of total Government expenditure in the 2012-13 budget. Or, alternatively, to pay annual salaries to 116,294 primary school teachers.

We could ask: if findings are ignored, why audit? But the fact is that 42% of CAG recommendations were fully implemented as stated in the 2012-13 report. One could argue that this is a glass half full, without the CAG report the situation could easily be worse. Each individual recommendation implemented should be recognized and welcomed.

The critical question is not whether accounts and resource use should be reviewed as this is the basic condition for any hope of accountability. It is more important to ask how irregularities, audit recommendations and outright theft of public money can be addressed so that they do not keep coming back. The CAG writes: "By issuing audit observations and recommendations CAG's main objective is to improve the performance and enhance accountability of MDAs/RS. It is not the CAG's role, nor does the CAG have the power, to enforce the implementation of these recommendations. The primary responsibility for implementing CAG's recommendations rests with the Accounting Officers of MDAs/RS."

At the end of the day, accountability and transparency need more than accounting officers. What is needed is moral leadership at all levels, and consistent imposition of real costs on those misusing public funds. These costs should take the form of sanctions according to the law; without enforcement of such sanctions the work of the oversight bodies will not have impact, regardless of the diligence with which it was conducted. Who will set the example?

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<sup>7</sup> This report concerns Ministries, Independent Departments and Executive Agencies or MDAs and Regional Secretariats (MDAs/RS).

<sup>8</sup> 2012 – 2013 Report of the Controller and Auditor General, pp. 178 and 203

