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HakiElimu Publicizes Trends in Audit Reports in Tanzania

Organizational Profile

HakiElimu (“Education Rights” in Kiswahili) was founded in 2001 by 13 Tanzanians with a longstanding commitment to transforming public education for all children. It now has more than 40 staff members and is governed by a board of directors that includes leaders in civil society, academia, the media, the law, and research and development institutions.

HakiElimu’s primary objective is to help create and sustain a national movement for social and educational change by stimulating broad public engagement, information sharing, dialogue, membership development, and networking throughout Tanzania. The organization also wishes to influence national policies on education and related matters – and broaden public participation in key policy processes – through research, analysis, advocacy, and networking.

a. Introduction

Much of HakiElimu’s work has focused on improving Tanzania’s formal education sector. However, a growing part of the group’s work focuses on civic education, or empowering citizens by educating them about their rights and encouraging them to make sure those rights are protected. HakiElimu’s engagement with audit reports falls into this second category of its work.

In 2006, HakiElimu decided to expand its budget advocacy work to include audit reports. By publicizing the findings of audit reports from the controller and auditor general, HakiElimu hoped to hold government accountable for management of public funds. Furthermore, HakiElimu noted that experiences in a number of other countries, such as South Africa, India, and the Philippines, have shown the power of this type of work.

Another reason for HakiElimu’s decision was that local communities rather than guilty officials have often suffered the consequences of poor audit reports. Districts that receive an “adverse” auditor’s opinion are automatically ineligible for a major grant that helps fund school construction, the rehabilitation of health centers, and other projects. Cutting these funds is likely to harm district residents, particularly the poor – even though they are not responsible for the irregularities that lead to poor audit results.

HakiElimu began its involvement in audit reports by creating a set of leaflets that presented the findings of recent audit reports in an attractive and accessible manner and sharing them with the media, executive branch officials, legislators, and civil society partners. (The leaflets also aimed to publicize the Tanzania Governance Noticeboard [TGN], an interactive online database of budget and audit data created by the Research on Poverty Alleviation, one of HakiElimu’s partners.) The first round of leaflets, issued in 2006, proved extremely successful, and the controller and auditor general provided significantly more cooperation with the project when it was repeated in 2007.

b. Methodology

As a first step in its efforts to rank government agencies according to their performance in audit reports, HakiElimu accessed data on audit opinions provided by the Tanzanian SAI from a variety of sources. The TGN was the primary source of data for the first set of leaflets, but HakiElimu also used individual audit reports for the different central government agencies and local government authorities (LGAs) as backup.

HakiElimu reported on the following four indicators that the TGN compiled for each central agency or LGA: the auditor's opinion, "questioned revenues" (revenues about which the auditor is not satisfied that the correct procedures have been followed, or for which there is insufficient documentation), "questioned expenditures," and questioned expenditures as a percentage of discretionary expenditures. This last indicator allowed HakiElimu to compare government entities with budgets of different sizes. The most recently released audit reports were considered, as well as those of the previous two years.

Table 9: Abstract from a HakiElimu Audit Leaflet

**Audit Data for the Ten Best- and Ten Worst-Performing
Central Agencies in Tanzania**
(ranked in order of 2004/05 questioned expenditures)

2004/05					
Vote	Name of Ministry	Questioned Expenditure (thousands of Tshs.)	Questioned Expd. as % of Discretionary Expd.	Auditor's Opinion	2004/05 Rank (Best to worst)
20	State House	0	0%	Clean	1
25	Prime Minister	0	0%	Clean	2
26	Vice President	0	0%	Clean	3
30	President's Office and Cab. Sec.	0	0%	Clean	4
33	Ethics Secretariat	0	0%	Clean	5
59	Law Reform Commission	0	0%	Clean	6
24	Ministries of Cooperatives & Mrktg.	1,546	0%	Qualified	7
27	Registrar of Political Parties	1,940	0%	Qualified	8
60	Industrial Court of Tanzania	2,205	0%	Qualified	9
55	Commission on Human Rights	7,575	1%	Clean	10
40	Judiciary	4,541,194	32%	Qualified	34
38	Defense	5,417,820	8%	Adverse	35
46	Ministry of Education and Culture	7,370,926	10%	Qualified	36
28	Ministry of Home Affairs (Police)	8,161,003	15%	Qualified	37
49	Ministry of Water and Livestock	8,528,534	8%	Qualified	38
68	Ministry of Science & Higher Edtn.	25,554,959	28%	Qualified	39
47	Ministry of Works	27,997,878	47%	Qualified	40
22	Treasury	29,386,850	6%	Qualified	41
52	Ministry of Health	32,445,474	23%	Qualified	42
56	Regional Admin. and Local Govt.	36,367,611	26%	Qualified	43

For the second round of leaflets, HakiElimu received advance copies of the individual audit reports and worked from these alone, as the TGN website was not updated in time to provide the needed information.

HakiElimu issued two different sets of leaflets, one for local governments and other for central agencies; both were printed in English and Kiswahili. The leaflets took the form of a poster that folds into an A2-size leaflet. One side had a table that ranked the central agencies from best to worst (refer to Table 9); the other provided background on the audit process in Tanzania, defined key terms, and highlighted major trends.

Rather than drawing many strong conclusions, the leaflets primarily asked questions and made comparisons to make the data easier to understand. For instance, the audit report for the Ministry of Education and Vocational Training was summarized in the following way:

The Ministry of Education and Vocational Training also came under fire for outstanding issues from previous reports amounting to 11.5 billion shillings. This Ministry received a Qualified opinion in 2005/06, with the audit report citing “unverified transfers and subsidies paid to institutions of Shs. 8.2 billion” and “unvouched and improperly vouched expenditure amounting to Shs. 7.4 billion”. Put differently, the total amount of suspect expenditures for the Ministry (Shs. 15.7 billion) is enough to pay the annual salaries for over 10,000 primary school teachers.

c. Results Achieved

Successes

The 2006 leaflets were very well received and raised the public profile of government audit reports, generating significant coverage in both the English and Kiswahili media. HakiElimu launched the leaflets at a public meeting for journalists, civil society representatives, and donors; journalists in attendance were encouraged to follow up with the chair of the Public Accounts Committee, which they did, resulting in more in-depth coverage.

After the 2006 release, Tanzania’s president called a meeting of top government officials to discuss the audit reports, a truly unprecedented move in that country. While HakiElimu cannot take direct credit for this meeting, it seems clear that the audit leaflets created an environment in which leaders were forced to recognize audit reports after having let them languish on shelves in previous years.

Also after the 2006 release, HakiElimu received a call from the controller and auditor general himself, saying he wanted to work with the organization to create the second set of leaflets. His office subsequently provided HakiElimu with advance copies of the individual audit reports to help prepare the 2007 leaflets and distributed those leaflets at the Tanzania Accountability Conference, organized in collaboration with the World Bank.

HakiElimu also received positive feedback from civil society partners in Tanzania and internationally.

HakiElimu’s engagement with audit reports is an example of the group’s strategy for promoting change. The traditional channel for much research-based advocacy work is linear, beginning with research that is then turned into a serious policy paper that is then shared with decision makers, often through briefings and workshops. The idea is that change will occur once policymakers are adequately informed. HakiElimu has found, however, that research reports often sit on shelves, their findings ignored. Thus, the group has focused more on getting its research findings into the public domain – in part through collaboration with the media – to create public pressure for change.

Challenges

HakiElimu has faced a number of challenges in its audit work. The group had little familiarity with government audit systems and audit reports, for example, and had to invest resources in building its capacity in this area.

In addition, after encountering a number of errors on the TGN website, HakiElimu decided that all data needed to be double-checked against individual audit reports from the government. This process was time-consuming but essential to ensure that the data were reliable.

Moreover, HakiElimu found it difficult to obtain copies of the individual audit reports, even though they were technically public records. Despite multiple information requests, it was able to obtain these records only through another non-governmental organization (Research on Poverty Alleviation, which works closely with the government). This fact highlights the importance of strategic relationships.

Finally, it should be noted that the Tanzanian controller and auditor general, like his counterparts in many other countries, primarily undertakes financial audits, which do not focus on many of the value-for-money concerns that interest civil society. In such situations, organizations like HakiElimu may have to supplement the official audit results with separate studies that highlight other financial and performance management problems in government agencies.

This case was excerpted from Our Money, Our Responsibility: A Citizens' Guide to Monitoring Government Expenditure by Vivek Ramkumar (International Budget Partnership, 2008), available at www.internationalbudget.org.