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REPORT ON

THE ROLE OF PARLIAMENTARY COMMITTEES ON BUDGET OVERSIGHT IN TANZANIA

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EXECUTIVE SUMMARY

This study set out to examine the role of the oversight committees of the Parliament of the United Republic of Tanzania in budget process and execution. The oversight functions assessed in this report are limited to “the review, monitoring and supervision of government and public agencies, including the implementation of policy and legislation”. The scope of the analysis also includes the work of parliamentary committees and plenary sittings, as well as hearings during the parliamentary stage of bills and the budgetary cycle. Hence, the focus is narrowed on the functions of the three ‘Watchdog’ committees along with the Finance and economic committee in the process of scrutinizing government programs of collecting revenues (taxes, excise, etc.), spending public money, and lending or borrowing money for a specified fiscal year. In relation to the background of this study, it was initiated by the Parliamentary Centre. As part of its efforts to support the Parliament of the United Republic of Tanzania, the Parliamentary Centre under the aegis of the CIDA funded Africa Parliamentary Strengthening Program for budget oversight has been assisting Parliament to effectively perform their role in ensuring government accountability and transparency. To do so, the Centre provides support to undertake a critical review of the state and status of the Committee with a view to identify gaps and weaknesses in their current performance. The review was undertaken between May-August, 2012 by a team of experts selected by the Parliamentary Centre. The Terms of Reference of the study required the study team to critically address the following terms;

- to take a sample of 2 audit review reports by each of the 3 oversight/ accountability Committees in the last Parliament;
- to review the recommendations of the Reports and recommendations to the appropriate authorities in the executive arm of government;
- to investigate the follow up action taken in the executive arm of government;
- to analyze the recommendations and follow up action for their contribution to the improvement in budget formulation and execution; and
- to make recommendations for effective follow up to the recommendations of the oversight/accountability committees of the National Assembly.

Given the nature of the tasks a range of methods was employed. In particular, the study team designed methodology, which shall *inter alia* included the following:

- Literature and desktop research including, where necessary, semi-structured interviews with key staff of the Parliament particularly secretariats to the budget oversight committees. Parliament library in Dodoma was another key source of information.
- Internet search on various sources was another key source of information. Through this source several documents were downloaded including those with best practices and technical literature elsewhere. Finally the official Website of the Parliament of the United Republic of Tanzania was used to supplement information collected that required more clarifications.
- Writing and editing of the final document following the standard rules applied in preparing public documents.

Considering the diverse nature of the outputs a range of techniques was adopted to review the roles played by the committees. Indicators that reflect the extent of recommendations provided over the parliament of 2005-2010 were examined. In particular, it focused on collecting information and their analysis. The team followed the following sequence of tasks:

- **Desk review:** A desk review was carried out to provide a preliminary indication of the practice and modes of conduct of the oversight committees while performing their duties. In particular this reviewed the expected information gathering analysis reporting. Hence, a literature search was undertaken to assess the extent to oversight committees recommend and suggest to the executive arm of the government. The desk review indicated the questions and issues that need to be pursued involving other stakeholders;
- **Interviews:** Given the complexities of the activities related to the functions of the parliamentary committees, the study team undertook face to face interviews with a range of stakeholders particularly those in the Ministry of Finance, the Parliament and Pay Master General. The specific questions were directed to the budget officers, secretaries to the Parliamentary Committees and other relevant officers.
- **Web search:** A number of websites have useful information on the parliamentary committees including those in other countries. During the conduct of the study, such websites were visited and important information recorded for use in this important assignment.
- **SWOT analysis:** The SWOT analysis was carried out to ascertain the strengths, weaknesses, opportunities and threats and to identify the overall position of the parliament committees.

Review: The draft report was subjected to detailed validation at different stages. The validation was through seeking opinions and validation from the officials interviewed.

The report notes that best practice plays a role of providing a base for comparison and menu of options likely to assist in improving and strengthening the current system of oversight. Thus, the best practices indicated are emanating from varied political, economic and legislative contexts within which various Parliaments in the World operate. It is therefore not meant to be a 'one size fits all' instruction manual that needs to be duplicated in Tanzania but rather an informative reference resource that can provide additional information for strengthening the critical oversight role of the Parliament of the United Republic of Tanzania. Hence it should be considered as an instrument that will encourage on-going engagement and debate on the practices of oversights in Tanzania and on how the effectiveness of budgetary oversights committees can be enhanced.

Key findings of the study are that the oversight committees have played major role in ensuring accountability and transparency on use of public resources in Tanzania. All committees reviewed have done tremendous job to solicit ideas organize recommendations and table issues for consideration to the executive arm of the government. However, the study found some challenges that pose problems that limit functioning of the committees. The critical problems noted that affect performance of the committees are;

- Inadequate time and financial resources,
- Lack of official response and feedback to some issues raised by the committees,

- Delays in information submission to the Committees and to the Controller and Auditor General.
- Inadequacies of research and clarity in some issues or recommendations,
- Inadequate Consistency of issues recommended with ongoing Reforms and Parallel Efforts,
- Inadequate Participatory approach and dialogue with all stakeholder before recommendations are made along with, extent to which expert consultations and regulatory impact assessment is made before recommendations are made,
- selection and sorting issues for analysis-choice between policy and administrative issues,
- Format and Style of the Reports that is reader friendly coherent and comprehensive.
- The difficulty of distinguishing between issues of “policy” and of “administration”; and, unclear status of public servants before parliamentary committees and in the accountability system more generally.

Recommendations for Strengthening the budget oversight Committees

Based on the analysis presented in this report there are a number of recommendations provided for improvement of effective role of parliamentary oversight committees in Tanzania. The key recommendations are as follows;

Need to increase **human resources** available for the committee’s secretariats. Given the nature of the budget and other issues considered the study recommends a minimum of three members in which at least one member of the secretariat shall be an economist with credible training in budget, the other one be a lawyer and the third a public administration expert or a political scientist. Under the current situation, there is one secretariat member expected to perform multitudes of technical support to the committees. The activities of the committees are taken as part of parliamentary obligations. This is partly why most of the work is done by members of parliament. In this regard the study recommends that expert witnesses be invited when need arise to supplement and maximize expertise available to the committees.

The study team confirmed that tight timetable of activities of the parliament partly constrains the time available for the committees to function exhaustively with reasonable depth of follow up. To improve upon this area the study recommend need for **allocating reasonable and adequate time for the committees and enough time for** the executive arms to conduct a due diligence before a feedback is provided. The committee’s roles and responsibilities can be tackled very well if there is adequate understanding of issues falling under the committees. In addition a rapid assessment of the situation analysis and update of the sector must be made available to the members annually to increase their positive contribution.

There are several issues raised by committees that are already suggested by other people or institutions. Given the position of the parliament such suggestions can gain more weight if they are jointly researched and debated. In this respect **the parliament ought to collaborate with other government institutions, experts and academic institutions** when analyzing the need for

introducing new proposal or recommendation for action. By so doing the issues recommended will get an opportunity of first stage of sorting and scrutiny for technical and feasibility deficiency.

Practice is the best teacher. There are other parliaments in the World including those in countries that are not very different from Tanzania. Thus one way of improving the way the committees conduct their work is via learning opportunity from practices elsewhere. The reports with recommendations can partly tackle this through referencing and quotations. The other best way is **to facilitate study tours and learning through attending committee sessions** in other parliaments from similar countries which have made some impressive development.

It is important for a parliament's institutional and legal framework to encourage MPs to make effective use of their powers of oversight. Aside from the provision of oversight tools, this framework should provide for the independence of the parliamentary institution and the immunity of the MPs.

Foreword

As part of its efforts to support the Parliament of the United Republic of Tanzania, the Parliamentary Centre intends to assist in strengthening parliamentary oversight committees and enable them to effectively perform their role in ensuring government accountability and transparency. To do so, the Centre provides, support to undertake a critical review of the state and status of the Committees with a view to identify gaps and weaknesses in their current performance. In this respect, a review was undertaken between May-August, 2012 by a team of experts selected by the Parliamentary Centre, to assess the oversight committees of the parliament of the United Republic of Tanzania. In undertaking the assignment the team also assesses the best practice elsewhere along with series of case studies and experience from Commonwealth and SADCC parliaments with similar characteristics. The team also reviews a comparative study of 88 national parliaments in relation to the functioning of their parliamentary oversight. Recent developments in all the cases reviewed are compared with Tanzania experience. The report point out that in forming the oversight committees the consideration should be stemmed on parliamentary history and tradition. A parliament can also establish a general oversight committee, which coordinates the oversight work of other permanent committees. In order to catch up with new development parliaments around the World have increasingly realized the need to be dynamic and adopt strategic changes that can accommodate new developments. Hence, business as usual will simply not work. There is a dire need to periodically improve the modalities of work and where necessary introduce new ways of conducting parliament businesses.

In terms of changes in the roles and responsibilities of the oversight committees, the scope of the activities of permanent committees can overlap or extend though is limited by the rules under which they are established. For example, an oversight committee can recommend that other permanent committees investigate specific problems that it has identified. Furthermore, the other permanent committees can bring matters before the general oversight committee. Also, the best practices elsewhere suggest that where the committee chair is formally responsible for producing draft reports, he/she is allowed to set up a task force or give instructions to the secretariat of the committee. The secretariat can include specialists in the area of the committee's competence. The practices elsewhere also indicate that experts are considered members of the staff and are employed and dismissed with the consent of the chair of the committee. They assist the committee members following guidance by the chair of the committee and may be included in the committees' working groups. Parliaments can allow its committees to summon external advisers when drafting reports.

Government system prevailing largely determines the environment in which committees perform their duties. In the presidential systems of government the president exerts a profound influence upon all intra-governmental accountability relationships. As a separately and directly elected figure he/she often enjoys a high level of popular legitimacy which translates into significant effective power and authority. Thus the application of "Westminster-type" public financial accountability in a presidential (rather than Westminster parliamentary) constitutional setting will produce a different balance of relationships. This report combines all the experiences and cases sighted and use them to assess the extent to which the system adopted by the parliament of the United Republic of Tanzania compares or diverge from other systems in similar parliaments. The lessons are used to draw some cases for strengthening the operation of the Tanzania Parliamentary Committees.

1 INTRODUCTION

Background

This report examines the role of the oversight committees of the Parliament of the United Republic of Tanzania. The oversight functions assessed in this report are limited to “the review, monitoring and supervision of government and public agencies, including the implementation of policy and legislation”. In principle, this definition focuses on the purpose and nature of the oversight activities rather than on the procedural stages in which they take place. It covers the work of parliamentary committees and plenary sittings, as well as hearings during the parliamentary stage of bills and the budgetary cycle. For the purpose of this study, the focus is on the oversight function played by the Parliament of the United Republic of Tanzania on the national budget. In particular, the focus is narrowed on the process of scrutinizing government programs of collecting revenues (taxes, excise, etc.), spending public money, and lending or borrowing money for a specified fiscal year. When performing oversight role, the Committees carry out one of the critical functions of the Parliament. It is worthwhile noting that the Parliament of the United Republic of Tanzania among other functions performs a critical role in ensuring transparency and accountability of our government. It does so through its oversight function by ensuring that government actions and policy are efficient, credible and effective enough to meet the needs and expectations of the public. It is through this important role, the parliament ensures proper management and use of public resources and realization of value for money in every shilling spent by the public for the public.

The scope of the functions and responsibilities of the parliamentary committees consider the fact that parliament is just one of the arms of the government (the legislative arm). Due to that, there are remarkable differences in the functions and responsibilities depending on how the government system and power are distributed between the three branches of government (the legislature, the executive and the judiciary) and the way in which these branches exercise checks on the others. As noted above, in most cases under a presidential system, the president is simultaneously the head of state and the head of the executive branch, and his/her status as such does not depend on legislative support. In a parliamentary system, the head of the executive branch leads the government which is dependent on the confidence or tolerance of the majority in the parliament. There may be a monarch or a figurehead president as head of state. In a semi-presidential system, the elected president is the head of state and shares his/her status as the head of the executive branch with a prime minister, whose status rests on parliamentary confidence. In sum all the three systems of government dictates various forms of mechanisms through which parliamentary committees operate. When the government system combined with the scope of definition provided above are considered, the key functions of parliamentary oversight are describes as to:

- detect and prevent abuse, arbitrary behavior, or illegal and unconstitutional conduct on the part of the government and public agencies. At the core of this function is the protection of the rights and liberties of citizens ;

- hold the government to account in respect of how the taxpayers' money is used. It detects waste within the machinery of government and public agencies. Thus it can improve the efficiency, economy and effectiveness of government operations ;
- ensure that policies announced by the government and authorized by parliament are actually delivered. This function includes monitoring the achievement of goals set by legislation and the government's own programs; and
- improve the transparency of government operations and enhance public trust in the government, which is itself a condition of effective policy delivery.

In terms of governance of the Committees, in most cases it is the responsibility of the Committee Chair to ensure that meeting guidelines are applied in a constructive and flexible manner. In some instances the Chair has the power to hire and fire the secretariat including experts. The composition and size of the oversight committees is determined by the purpose. Some of the considerations might be the balance between the pros and cons of the large sized committee. Whereas larger sized Committee may have varied skills and able to solve a greater variety of problems, coordination and management of group dynamics might be a challenge. Small committees while may tend to be more coordinated and focused, they can suffer inadequacies in skills and capacity to deal with bigger workloads and varied problems.

To perform these functions, parliaments use various tools. Some of these are stipulated in the text of a country's constitution, but more commonly they are part of the rules that govern parliamentary procedures (such sets of rules are often called standing orders. In the context of this study, the focus is on the oversight function played by the Parliament of the United Republic of Tanzania on the national budget. Particularly, the attention is narrowed to the process of scrutinizing government programs of collecting revenues (taxes, excise, etc.), spending public money, and lending or borrowing money for a specified fiscal year. The assessment also considers the role of the Parliament in examination of and the resulting report on accounts relating to the use of funds by the national audit institution -the Controller and Auditor General.

1.2. The Role of Parliament in Overseeing Tanzania Budget and Economic Performance over the Period till 2010

The oversight committees of the Parliament work to ensure economic development that make use of the national resources in a transparency, efficiency and accountable manner. Using various tools the Parliament continue to play significant role that has seen Tanzania's macroeconomic performance improving substantially over the period of five years from 2005 till 2010 with sustained high rates of growth and relatively low inflation. The economic affairs committee of the parliament along with the other watchdog committees partly assisted in ensuring that real GDP grew at an annual average of 7.3 percent between 2004 and 2008 before slowing down to 6.0 percent in 2009 following the effects of the Global Financial Crisis (GFC). In response, the parliamentary committees worked hard to support the Government measures to stimulate economic activities, which helped the economy to bounce back, at a real growth rate of 7.0 percent in 2010. It is expected that, the economic growth will maintain an upward trend, reaching 8.5 percent by 2015. Hence maintaining stable and upward trend requires more active participation of the parliament in consolidating and supervising the steps necessary for further economic growth.

Sector	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Agriculture, hunting and forest	4.5	4.9	4.9	3.1	5.9	4.3	3.8	4.0	4.6	3.2	4.2
Crops	4.7	5.3	5.6	3.2	6.6	4.4	4.0	4.5	5.1	3.4	4.4
Livestock	3.9	4.0	2.8	2.2	4.1	4.4	2.4	2.4	2.6	2.3	3.4
Forest and hunting	4.8	3.6	3.3	3.0	2.7	3.6	4.6	2.9	3.4	3.5	4.1
Fishing	2.9	4.8	6.8	6.0	6.7	6.0	5.0	4.5	5.0	2.7	1.5
Manufacturing and construction	4.5	6.6	9.4	10.9	10.9	10.4	8.5	9.5	8.6	7.0	8.2
Mining and Quarrying	14.3	13.9	16.9	17.1	16.0	16.1	15.6	10.7	2.5	1.2	2.7
Industrial products	4.8	5.0	7.5	9.0	9.4	9.6	8.5	8.7	9.9	8.0	7.9
Electricity and Gas	6.2	5.9	6.2	7.2	7.5	9.4	1.9	10.9	5.4	8.4	10.2
Water supply	3.4	3.5	2.8	4.5	5.2	4.3	6.2	6.5	6.6	5.6	6.3
Construction	0.8	7.6	11.9	13.8	13.0	10.1	9.5	9.7	10.5	7.5	10.2
Services	5.4	6.4	7.7	7.8	7.8	8.0	7.8	8.1	8.5	7.2	8.2
Wholesale, retail and others	4.3	6.4	8.3	9.7	5.8	6.7	9.5	9.8	10.0	7.5	8.2
Hotels and restaurants	4.1	4.8	6.4	3.2	3.6	5.6	4.3	4.4	4.5	4.4	6.1
Transportation	4.3	4.9	5.9	5.0	8.6	6.7	5.3	6.5	6.9	6.0	7.0
Communication	5.6	8.7	10.4	15.6	17.4	18.8	19.2	20.1	20.5	21.9	22.1
Financial sector	3.9	6.9	10.1	10.7	8.3	10.8	11.4	10.2	11.9	9.0	10.1
Real Estate	4.9	4.2	7.1	6.5	6.8	7.5	7.3	7.0	7.1	6.8	7.0
Public Administration	10.7	10.5	9.2	9.6	13.6	11.4	6.5	6.7	7.0	4.4	6.5
Education	4.0	11.4	7.0	2.8	4.0	4.0	5.0	5.5	6.9	7.1	7.3
Health	5.1	5.6	8.6	8.7	7.8	8.1	8.5	8.8	9.0	6.7	6.9
Other social and personal services	3.1	3.1	2.1	2.0	3.0	2.6	3.7	3.2	3.1	3.2	3.5
Total GDP	4.9	6.0	7.2	6.9	7.8	7.4	6.7	7.1	7.4	6.0	7.0

Budget Performance and Fiscal Achievements: 2007/08 – 2008/09

The other angle of parliament support in the economy is monitoring of budget implementation. The data available shows that overall budget execution saw significant improvements over the two years, especially the recurrent budget. Recurrent budget execution for 2007/08 and 2008/09 was well above 94 percent, both in release as well as in actual expenditure. The budget performance for the fiscal year 2009/10 experienced a shortfall in domestic revenue collections against targets. Total domestic revenue collection during 2009/10 amounted to Tshs. 4,661,540 million, equivalent to 15.2 percent of GDP compared to Tshs 4,293,074 million (16.2 percent of GDP) in 2008/09. The slowness performance was partly due to the impact of the global financial crisis that led to a slower growth in taxable production activities in the economy and postponement of implementation of some revenue measures that were announced in the budget. Total expenditure during the year reached 26.7 percent of GDP, compared to 25.7 percent in 2008/09. Grants amounted to 4.6 percent of GDP, resulting into a budget deficit after grants of 6.4 percent of GDP. 2 This exports exclude unrecorded trade as indicated in table 5 above

In terms of foreign resources, parliamentary committees especially the public accounts work to encourage better and more utilization of domestic resources. Data available the Government continues to use grants and concessional loans from Development Partners as major foreign sources of financing development programmes. During the fiscal year 2009/10, the total grants received were Tshs. 1,405.3 billion, of which programme grants amounted to Tshs 665.778 billion, projects grants amounted to Tshs 459.04 billion and basket grants mounted to Tshs 258.1 billion which is equivalent to 67 percent of the total estimate.

Expenditure is another critical component of the budget. Hence the parliament plays major role in scrutinizing and ensuring reasonable and affordable expenditure outlays are adopted. Recent performance reviewed in this study suggest that total expenditure for the recent years, for instance the period 2009/10 was Tshs. 8,173.7 billion, equivalent to 92.0 percent of the estimates. Development expenditure for 2009/10 was Tshs. 2,611.3 billion, which is equivalent to 92 percent of the total estimates. The shortfall in development expenditure was mainly due to delays in the implementation of projects in some MDAs and LGAs following failure to accomplish procurement procedures and delays in reporting on the use of the funds.

Performance of key Debt indicators does also form an important focus area of the parliament. Hence both the public accounts committees, economic and finance committees and other watch dogs Information available reveals that during the period between 2000/01 and 2009/10, key debt indicators improved significantly from very high ratios in the early 2000 as shown in table 8 and figure 5 below. These debt indicators exhibited a mixed pattern though, in 2009/10 they started to deteriorate following increase in Government borrowing to mitigate the impact of the GFC and to finance infrastructure projects. Exchange rate depreciation also accounted for the increase in national debt (hence deterioration of the performance of the indicators above).

1.3 Scope and Methodology

The Terms of References required the study team to critically address the following terms;

- to take a sample of 2 audit review reports by each of the 3 oversight/ accountability Committees in the last Parliament;
- to review the recommendations of the Reports and recommendations to the appropriate authorities in the executive arm of government;
- to investigate the follow up action taken in the executive arm of government;
- to analyze the recommendations and follow up action for their contribution to the improvement in budget formulation and execution; and
- to make recommendations for effective follow up to the recommendations of the oversight/accountability committees of the National Assembly.

In relation to the scope of this study the oversight functions assessed in this report are limited to “the review, monitoring and supervision of government and public agencies, including the implementation of policy and legislation”.

Given the nature of the tasks a range of methods was employed. In particular, the study team designed methodology, which *inter alia* included the following:

- Literature and desktop research including, where necessary, semi-structured interviews with key staff of the Parliament particularly secretariats to the budget oversight committees. Parliament library in Dodoma was another key source of information.
- Internet search on various sources was another key source of information. Through this source several documents were downloaded including those with best practices and technical literature elsewhere. Finally the official Website of the Parliament of the United Republic of Tanzania was used to supplement information collected that required more clarifications.
- Writing and editing of the final document following the standard rules applied in preparing public documents.

Considering the diverse nature of the outputs a range of techniques was adopted to review the roles played by the committees. Indicators that reflect the extent of recommendations provided over the last parliament of 2005-2010 were examined. In particular, it focused on collecting information and their analysis. The team followed the following sequence of tasks:

- **Desk review:** A desk review was carried out to provide a preliminary indication of the practice and modes of conduct of the oversight committees while performing their duties. In particular this reviewed the expected information gathering analysis reporting. Hence, a literature search was undertaken to assess the extent to oversight committees recommend and suggest to the executive arm of the government. The desk review indicated the questions and issues that need to be pursued involving other stakeholders;
- **Interviews:** Given the complexities of the activities related to the functions of the parliamentary committees, the study team undertook face to face interviews with a range of stakeholders particularly those in the Ministry of Finance, the Parliament and Pay Master General. The specific questions were directed to the budget officers, secretaries to the Parliamentary Committees and other relevant officers.
- **Web search:** A number of websites have useful information on the parliamentary committees including those in other countries. During the conduct of the study, such websites were visited and important information recorded for use in this important assignment.
- **SWOT analysis:** The SWOT analysis was carried out by to ascertain the strengths, weaknesses, opportunities and threats and to identify the overall position of the parliament committees.

Audit Reports Selected and Criteria for their selection

The Terms of Reference gave the consultant the option to select reports which should be the focus of this study. To do so the study selected at least two audit reports that falls within the time frame of the last Parliament of 2005 till 2011 calendar years. In terms of financial years the time span covers the budgets for years 2005/6 up to the period 2010/11. Therefore based on these criteria the study collected all existing information that falls within the timeframe defined. A review was made on all the existing reports to ascertain the depth and quality of information. The information was then compared with comparable information from paymaster general and Controller Audit Reports for the same year. In

addition availability of reports and updates on follow up actions of recommendation reports was very important for provision of a complete analysis of the study. Based on the second criteria, the time span from 2007/8 till 2010/11 appeared the most appropriate time from which to select the reports. The information was translated into English and tabulated to form trends for comparison. In sum the key reports selected for in-depth analysis were;

- Audit reports and follow ups for Public Organization Accounts Committee for years 2008/2009 and 2010/2011
- Audit reports and follow ups for Finance and Economic Committee for years 2007/2008 and 2010/2011
- Audit reports and follow ups for Public Accounts Committee for years 2008/2009 and 2010/2011
- Audit reports and follow ups for Local government committee for years 2008/2009 and 2010/2011

In addition to the reports selected the study reviewed the financial budgets for all the years indicated and selected. The Controller and Auditor General Reports for the years selected were also reviewed. Finally Hansards that summarizes all key reports for the parliament sessions that discussed the reports were selected. They corresponded to the years of the study period. Using all these information the study team got convinced and comfort that intended scope of the study could be met.

Review: The draft report was subjected to detailed validation at different stages. The validation was through seeking opinions and validation from the officials interviewed.

2. THE ROLE OF THE PARLIAMENT IN BUDGET OVERSIGHT AND FINANCIAL SCRUTINY

This section briefly highlights the role of the parliament in budget oversight. It acknowledges the fact that parliamentary oversight function is one of the cornerstones of democracy. In principle various definitions of oversight exist. The standard one traces all the means for holding the executive accountable for its actions and for ensuring that it implements policies in an effective manner. The robust monitoring of the executive by the parliament is an indicator of good governance. Besides the parliament's legislative function, it is through oversight that the parliament can ensure a balance of power and assert its role as the defender of people's interests. In both long-established and new democracies, the parliament is given the power to oversee the government through a number of tools and mechanisms. Typically, these tools and mechanisms are outlined in the constitution and other regulatory texts such as the parliamentary bylaws and/or internal procedures. The specifics of how a parliament can manipulate its oversight prerogative depend upon the existence of a legal framework, which consolidates the position of the parliament as an oversight institution and guarantees its powers and independence within the political system. It is worthwhile understanding the key objectives of the parliamentary oversight. The objectives will differ from country to country depending on broad range of issues. The standard objectives are outlined below;

2.1 Objectives of Parliamentary Oversight

Parliamentarians conduct oversight in order to:

1. Ensure transparency and openness of executive activities. Parliaments shed light on the operations of government by providing a public arena in which the policies and actions of government are debated, scrutinized, and subjected to public opinion;
2. Hold the executive branch accountable. Parliamentary oversight scrutinizes whether the government's policies have been implemented and whether they are having the desired impact;
3. Provide financial accountability. Parliaments approve and scrutinize government spending by highlighting waste within publicly-funded services. Their aim is to improve the economy, efficiency and effectiveness of government expenditure; and,
4. Uphold the rule of law. Parliament should protect the rights of citizens by monitoring policies and examining potential abuses of power, arbitrary behavior, and illegal or unconstitutional conduct by government.

However, as stipulated above these objectives are not 'one shoe fits all' as they can be modified to suit the intended purpose of any parliament.

2.2 Tools and Mechanisms of Parliamentary Oversight

Parliaments have an array of tools at their disposal for conducting oversight. Again the tools will not be standard for all parliaments. They differ depending on national political governance systems. But, the most common tools include: questions to ministers (oral and written), interpellation, and votes of no confidence. Other tools including mechanisms related to budgetary oversight, impeachment, and the possibility for the parliament to establish ad-hoc committees, commissions of enquiry or an ombudsman's office. Several of these tools are described below:

1. Hearings, either in plenary or committee meetings, are a primary tool of parliaments for obtaining information related to specific policies or issues. Nearly all parliaments conduct hearings. However, parliaments have varying capacities to compel individuals to give testimonies. In the Tanzania parliament such tool is applicable
2. The vote of no confidence, or motion of censure, is a motion presented by parliamentarians which results in either the withdrawal or the confirmation of the Parliament's confidence in the government or one of its ministers. When a parliament withdraws its confidence in the government, the cabinet usually resigns or seeks a parliamentary dissolution. In some countries, withdrawals of confidence lead to a process in which the head of state either calls for the resignation of the government or the dissolution of the parliament. When a parliament withdraws its confidence in a single minister, that individual typically resigns. There are many variations to the procedures governing votes of no confidence. This tool is also useable in Tanzania Parliament
3. Interpellation refers to a formal procedure used by parliamentarians to require the justification of a certain policy by an individual member of government or, in some countries, the government in full. It can give way to broad debates on the policy at hand or lead to a vote approving or disapproving the issue discussed. This may be followed by a vote of no confidence. Such a tool is uncommon in Tanzania Parliament though is sometimes confused with the second tool.
4. Parliamentary questions are the most commonly used oversight tool. Questions are intended to clarify or discuss government policies and may lead to interpellation if the answer is not satisfactory. In order to properly oversee the executive, it is essential for members of parliament to be properly informed of the policies of the executive and its ministries. Government responses to parliamentary questions may lead to the publication of valuable information. Questions can often be asked in oral or written form, although oral question and answer sessions may provide a dramatic atmosphere and opportunity for response and follow-up by either side. Consequently, the organization of these sessions is essential to effective parliamentary oversight. Though with modification such tool is used in Tanzania Parliament
5. Committees of inquiry are usually ad-hoc parliamentary committees or commissions formed to carry out in-depth investigations on specific issues of public importance. These commissions usually benefit from a greater degree of access to information than normal committees. Their powers may include summoning witnesses to testify under oath, confronting one witness with another, requesting or seizing documents, ordering

searches, organising field visits, and more. In some countries, they may possess the same powers as a magistrate making a judicial inquiry. Committees of inquiry are a commonly used oversight instrument in parliaments around the world and may be used to investigate important cases of corruption or abuse of power. This is one of popular tools of oversight used in Tanzania parliament.

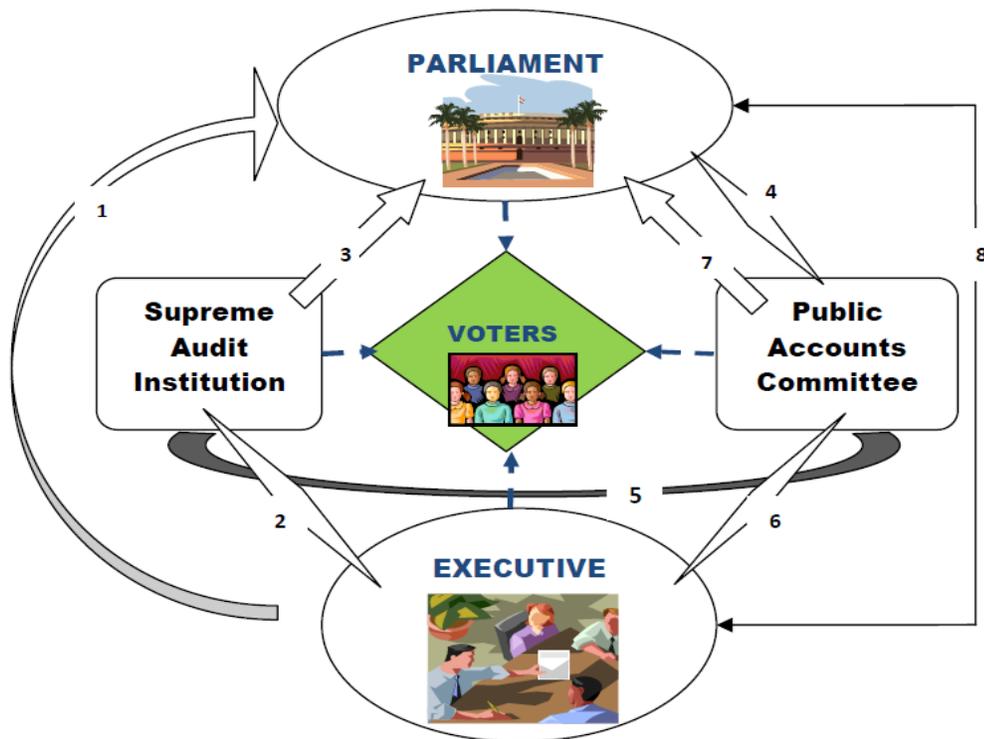
6. Budget oversight is a means used by parliaments to ensure financial accountability. In many countries, parliaments may ratify a budget or even write it themselves giving them the power of the purse. Even if a parliament is unwilling to reject an executive's policies, the capacity to change the executive's spending priorities provides another mechanism for oversight. However, organic laws of finance or other legislation governing how parliaments may oversee the budget can limit the changes that parliaments can make to a budget. To some extent the Tanzania Parliament through its committees and sessions do exercise this tool of oversight by changing the budget.
7. Supreme audit institutions, such as the auditor general or board (in Commonwealth countries), or Cours des Comptes (in Francophone countries) facilitate ex-post budget oversight by playing a "watchdog" role and reporting its findings either publically or directly to parliament. Supreme audit institutions monitor how the government uses the public purse and informs the parliament of its observations. In Commonwealth countries, the auditor general reports to the Public Accounts Committee (PAC), which scrutinises the findings of the audit and makes recommendations accordingly? In Tanzania Parliament, the report of the Controller and Auditor General is discussed in the parliament and it forms the follow up points by the Public Accounts Committees.
8. Ombudsmen, in most countries, are appointed by parliaments in order to conduct investigations of public authorities on the basis of complaints or requests by the parliament. Ombudsmen typically scrutinize whether the workings of the administration or the offending actions are in accordance with the principles of good governance. As such, they play an important role in examining government transparency and openness. Ombudsmen try to find practical solutions to the problems they are tasked with and assume a role of conciliation between the public and the authorities. This tool is also used in Tanzania Parliament
9. Special standing committees are provided for in the internal rules of some parliaments to systematically oversee the government with regards to highly sensitive issues such as national security, defense, and military procurement policies. Similar standing committees are available in Tanzania Parliament.
10. Review and confirmation of executive appointees is a power that allows some parliaments to scrutinize executive appointees to high public office, the judiciary, state run companies, and the like. So far the Tanzania Parliament has not significantly used this tool. It is only limited to the representatives in legislative bodies in which Tanzania is represented such as the East Africa Assembly or the Prime Minister.

2.3 Actors in the budget oversight and financial scrutiny Cycle

There is no committal system of who should be the key actors and again the parliament in question can decide. But in principle the key actors in budget oversight and financial scrutiny cycle are the Parliament, the Executive, the Supreme audit institution (SAI) and the 'watchdogs' budget oversight committees. Traditionally the Public Accounts Committee (PAC) has been assumed to play the role of budget oversight for the parliament. In Tanzania three committees

play this role of watchdog-budget oversight namely Public Organization Accounts Committee, LAAC, PAC. The economics and Finance Committee does have crucial role in advising on best direction of the national budget. The supreme audit institution in Tanzania is the Controller and Auditor General Office (CAG). The office of the CAG was established under Article 143, subsection (5), of the Constitution of the United Republic of Tanzania 1977 (revised 2005) and Section 10 (1) of the Public Audit Act No. 11 of 2008, to oversee the accounts of the government and other public bodies. Ultimately, all these institutions have a combined responsibility (through Parliament) to provide assurance to voters that their tax money is being spent in a proper way. The good Practice Guide Accounts Committee in Southern Africa Development Community report provides a systematic framework that links the institutions responsible for budget oversight as provided below.

A Good Practice Guide for Public Accounts Committees in SADC



Source: Adopted from A Good Practice Guide for Public Accounts Committees in SADC

Based on the framework presented above, the functions of the SAI and oversight committees particularly PAC in financial scrutiny of public institutions are interdependent and complementary. The committees rely on the findings of the SAI to hold the Executive to account. Similarly, the SAI depends on the committees to promote the corrective actions recommended as a result of the audit findings. It is important therefore that these institutions maintain a good working relationship for effective oversight and accountability. In the majority of democratic Parliaments, the relationship between the SAI and PAC is defined by the Rules/and Act of Parliament.

SAI and the Executive: Government departments and public institutions are obliged to submit their audited financial statements and other relevant documents to the SAI for auditing. It is important that departments and institutions pay attention to the quality, completeness and timeliness of financial statements and other relevant information and documents as the effectiveness and quality of the SAI's audit depends on it.

Oversight Committees and the Executive: The role of a budget oversight committee is to call relevant government Executives and officials to give evidence before the committees in response to cases of mismanagement and irregularities identified through the audit. In addition, the committees have to make recommendations to remedy identified problems for improved financial management and accountability.

For the committees recommendations to be taken seriously by the Executive, it is important that the committee maintains a constructive working relationship with the government. The committees should be seen by the Executive as a credible, objective and supportive institution committed to improving financial management and enhanced accountability in the public sector, rather than being seen as a partisan forum of naming and shaming of the Executive and government officials.

3 PRINCLES BEHAVIOUR AND PERFORMANCE OF PARLIAMENTARY OVERSIGHT COMMITEES

The extent to which any oversight committee can be a useful tool for enhancing oversight depends on the mechanism through which various institutions interact to ensure the intended goal of making the government accountable and transparent enough to implement the national budget. The table 1 below summarizes the prescribed coordination. According to table the *Inputs* indicated in the table underpin the existence and form a starting point for the work of the parliamentary committees. They include constitutional factors such as the legal position and remit of the Committee; and more tangible contributions such as reports produced by the SAI, previous-year committee reports, and information from stakeholders such as public sector annual reports, budget reviews by donors development partners, Non government Organizations and other representatives (chambers of trades, workers unions and employers associations). Adequate committee resources in the form of budget, staff, facilities and infrastructure, should be viewed as necessary inputs – which are often deficient. International cooperation through peer reviews and practice-sharing with other committee, as well as external technical assistance, can be valuable inputs to both the effective functioning and increased effectiveness of the oversight committees.

Processes are the procedures and working practices through which the committee makes its constitutional role operational and deals with the inputs it has received. Within this category are the holding of meetings, the selection of witnesses, the follow-up of recommendations, conventions about the composition of the oversight committees and the party orientation of the chair; and the pursuance of inter-party cooperation. Within the arena of oversight committees processes the principles and values described earlier will be both influenced and influential. The right working practices will serve to imbue the right principles for activity of the oversight committee, but the working practices themselves will be affected by the values of the committee membership and its surrounding financial governance environment.

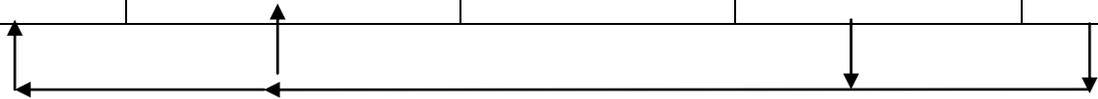
Prominent amongst *outputs* are the reports and recommendations produced by the committee, parliamentary debates and media coverage, the government response and any progress checks that may be produced by the committee. They are not all direct and formal outputs of the Committee itself, but products of committee activity.

Table 1

Values and Principles Driving Committee behaviour



Inputs	Processes (and their immediate effects)	Outputs	(Intermediate) outcomes	(Long-term) impacts
<p>Constitutional/legal framework</p> <p>SAI role and inputs</p> <p>Domestic stakeholder inputs (media, public)</p> <p>Resources, (staff, budget, infrastructure)</p> <p>International cooperation</p> <p><i>Previous year PAC outputs (i.e. follow-up)</i></p> <p><i>Conventions and principles of conduct</i></p>	<p>Conventions of conduct</p> <p>Conventions of organization</p> <p>Formalized working practices/<i>modus operandi</i></p> <p>Intra-governmental cooperation between committee, SAI and Executive</p>	<p>Oversight Committee findings and conclusions (majority or consensus)</p> <p>Committee reports and recommended actions</p> <p>Follow-up of recommendations (Government response and implementation)</p> <p>Status reports on Government actions</p> <p>Public engagement and media coverage</p> <p style="text-align: center;">↓</p>	<p>Sanctions and penalties applied to officials</p> <p>Improved financial systems and financial control</p> <p>Increased financial efficiency of government</p> <p>Improved public service delivery and public sector performance</p> <p>Effective legislative checks constraints on executive power</p>	<p>Conventions and principles and conduct established for Committee</p> <p>Culture of effective public financial accountability</p> <p>Culture of democratic accountability</p> <p>Systematic feedback of outputs, outcomes and impacts into enhanced inputs and strengthened processes</p>



Feedback effects from outputs and outcomes/impacts to inputs and processes: Institutional change and organizational learning

Long term impacts – The sustained (and positive) effect of the committee and its attendant institutions upon the culture of accountability; and the embedding of positive and persistent/institutionalized norms and conventions that determine/influence the evolving committee arrangements and future cycles of the committee led scrutiny process.

There are strong feedback loops in this committees-centered framework of accountability, especially from outputs and outcomes to inputs and processes. All the components of the parliamentary audit process support and feed into each-other. As well as a chain of accountability the framework should be regarded as a cycle, which becomes established and reinforced over time as effective committee arrangements become embedded. If a committee produces high-quality reports which secure public attention, its credibility will be enhanced, assisting future activity. If a committee is effective in ensuring the execution of money-saving recommendations, the value of such work will become more apparent and in turn easier to carry out and implement.

4. ANALYSIS OF TANZANIA PARLIAMENTARY COMMITTEES IN BUDGET OVERSIGHT

4.1 Types of Parliamentary Committees in Tanzania

In assessing the types of parliamentary committees available in Tanzania, the study team reviewed information in the Parliament website and the associated committee's reports. Based on such information, it is apparent that Tanzania Parliament is credited with an organized system of committees which comprises standing committees and select committees.

1. Finance and Economic Affairs
2. Public Accounts
3. Social Services
4. Social Welfare & Community Development
5. Constitutional, Legal and Public Administration
6. Standing Orders
7. Parliamentary Privileges, Ethics and Powers
8. Energy and Minerals
9. HIV/AIDS Affairs
10. Infrastructure
11. Public Corporation Accounts
12. Miscellaneous Amendments
13. Land, Natural Resources and Environment
14. Agriculture, Livestock and Water
15. Foreign Affairs, Defence and Security
16. Industries and Trade
17. Local Government Accounts

Ad Hoc or Select Committees

Select or Ad hoc committees as commonly referred to in Parliamentary practices are those which are constituted by the House or the Speaker to consider and report on specific matters and become functions officio as soon as they have completed their work. But as indicated before, the scope of this work requires critical analysis of the three watchdogs or committees direct bearing on budget oversight. Hence at this juncture, the report endeavors to describe the functions of these three committees as well as the finance and economic affairs committee. The roles and functions of each committee are provided below:

4.2 The Roles and Functions of the Budget Oversight Committees

The Terms of Reference required this report to provide detailed analysis of the committees that play direct role in budget oversight. As indicated before there are three committees that are meant to provide watchdog role to the budget. They are;

1. Public Accounts Committee
2. Public Corporation Accounts Committee
3. Local Government Accounts Committee

The other important committee in the process is the finance and economic affairs committee.

The Finance and Economics Affairs Committee

This committee consists of not less than thirty Members appointed by the Speaker.

Functions

- To scrutinize Government proposals on the Estimates of Expenditure of each Year;
- To consider Government Bills referred to it by the Speaker;
- To consider Government proposals, follow up execution of and to deliberate on development progress of national projects and programmes;
- To evaluate the Private Sector projects and consolidation thereof with the national programmes.
-

Local Government Accounts Committee

This committee consists of not less than eight and not more than twelve Members appointed by the Speaker.

Functions:

- To scrutinize Local Government expenditure, Financial Year Accounts and any other accounts presented to the Assembly as the Committee deems fit;

- In exercise of its functions of scrutinizing the Government Finance and the report of the Controller and Auditor General, it shall be the duty of this Committee to see that:-
 - Moneys reflected in the estimates of expenditure are expended as authorized; and
 - Expenditures were duly authorized by appropriate Authority under existing accounting procedure;
- To scrutinize all such accounts in respect of which inspection is conducted by the Controller and Auditor General under a Presidential directive or any existing law;
- To scrutinize and consider any report from the Controller and Auditor General where the President directed such audit to be effected;
- Shall give its opinions as it deems fit after conducting examination on the utilization of supplementary funds allocated for the financial year concerned

Public Accounts Committee

This Committee consists of not less than eight and not more than twelve Members appointed by the Speaker.

Functions

- To scrutinize Government expenditure, Government Financial Year Accounts and any other accounts presented to the Assembly as the Committee deems fit;
- In exercise of its functions of scrutinizing the Government Finance and the report of the Controller and Auditor General, it shall be the duty of this Committee to see that:-
 - Moneys reflected in the estimates of expenditure are expended as authorized; and
 - Expenditures were duly authorized by appropriate Authority under existing accounting procedure;
- To scrutinize all such accounts in respect of which inspection is conducted by the Controller and Auditor General under a Presidential directive or any existing law;
- To scrutinize and consider any report from the Controller and Auditor General where the President directed such audit to be effected;
- Shall give its opinions as it deems fit after conducting examination on the utilization of supplementary funds allocated for the financial year concerned

Public Corporation Accounts Committee

This Committee consists of not less than twelve Members appointed by the Speaker.

Functions

- To scrutinize the accounts relating to existing Parastatals;

- To evaluate the economic prosperity of existing Parastatal;
- To scrutinize in every manner possible, the accounts, projects and other ventures of the Parastatal Corporations;
- To make follow up of the formation and management of the parastatals.

4.3 Assessment of Follow up on Recommendations of the Public Organizations Accounts Committee

As indicated in the foregoing sections, this study selected the audit report of the committee for the years between 2008/2009 and 2010/2011 to examine the extent to which the recommendations and suggestions were addressed in the relevant budgets. The export review uncovered that the committee submitted various recommendations during the year 2008/2009. The report indicates that while some issues and recommendations were addressed, there were still some issues and recommendations awaiting the responses or outstanding all together. In this regards the committee continues to follow up the feedback using various means but most importantly frequent reminders. Besides;

- The committee was satisfied by the way its recommendations to develop Mchuchuma Liganga coal mining project were taken on board by the relevant government institutions particularly the Ministry of Industries along with the National Development Corporation (NDC). The committee in addition to the positive implementation of their recommendations reminded the government to observe their advice that coal exploration licenses be granted to public institutions only.
- Introduction of concession fees payment system in national reserves as a means to maximize benefits from services of these national assets.
- Reduced government guarantees for loans obtained from pension funds.

The same report indicates dissatisfaction on some of its recommendations and suggestions that remains outstanding. It points these recommendations as follows;

- The committee in its report reminds that it recommended need for strengthening the office of Treasury Registrar (TR) in accordance with amendment of the CAP 418 of the Treasury Registrar to strength its ability to monitor and supervise the public corporations under the changed environment. Along with the recommendations the committee also reminded the alternative solution that was proposed by the Controller Auditor General to form an autonomous institution that will oversee the public corporations. The committee feels that such changes are yet to be observed though changes of legal framework are on the way.
- The other outstanding recommendation that this committee find most critical is the suggestion to form Public Investment Fund. The base for the need of such fund according to the committee is the fact that public corporations were established to provide goods and services at relatively low price and reasonable quality. To do so such corporations require adequate capital which can be easily mobilised should such a proposed Public Investment Fund be formed. The report indicates that there are public corporations by nature of their activities have large potential for realising huge profits while others are

disadvantages though might be strategically very important for example Railway and Airways corporations. This is why the committee keeps reminding?? the need to have this recommendation considered.

- Appointment of board members in public corporation is another area that the POAC committee's recommendations are still outstanding. In this regard, the committee recommends timely replacement of boards whose term is expired. The committee outlined this as a problem because without boards some decisions cannot be made on time.
- The POAC recommended need for increase in financial resources to the National Productivity Institute (NPI) as a means to boost national productivity. The committee emphasis need to promote this institute as a means to reduce expenses in short training, increase access to proper training of the national workforce. For that matter the committee recommended need for the ministry of Labour to assist NIP to obtain at least Tanzanian Shillings 1.5 billion that will enable it to be a National Think Tank in productivity and efficiency.
- The POAC recommended that Tanzania Petroleum Development Corporation (TPDC) be split into two corporations so as to strengthen the functions currently played by this corporation. The committee based its recommendation on the need to catch up with new development in petroleum and gas industry. Hence the POAC suggested formation of Petrol and Gas Corporation and another one to be Petroleum Authority. The former is recommended to be running as business entity whereas the later will concentrate on regulation of the industry.
- In order to improve the services of Tanzania Electrical Company (TANESCO), the POAC committee suggested a number of steps which it feels are yet to be implemented by the government. In particular, the committee recommended restructuring of the TANESCO and come up with two corporations, one dealing with generation of electricity and the other dealing with transmission and distribution. The committee feels that such measure will minimize the current huge cost of TANESCO purchasing electricity from private providers.
- The committee recommended that CHC be transformed into a permanent institution charged with the responsibility of overseeing government shares in privatized companies. The POAC believes that through such arrangement it will be able to track the performance and safeguard the public shares in the privatised corporations. However, according to the committee such issue remains outstanding.

Table 2

**Summary recommendations of the Public Organization Accounts Committee for year
2008/2009 and 2010/2011**

No.	YEAR 2008/2009	YEAR 2010/2011
1	Government to look at the possibility of providing capital/grants to the Public organizations so that they may perform their duties effectively.	The committee continues to recommend that the Public investment Fund's should be established, and so that some public organizations which earn profit can put money into the fund to assist public organizations which have no capital but are strategic for our nation.
2	Government should stop the privatisation of remaining farms until the evaluation of privatization is completed	The committee recommends that the portions of sisal estates that have been encroached by villagers should be left to them instead of chasing the villagers away
3	Committee advice the Government to train more expert on oil and gas so that TPDC to be more independent, also TPDC facing a problem of human resource where by 25% of its tp management they are about to retire for the next 4 years.	TPDC should operate according to decrees (order) of its establishment (TPDC Establishment Order of 1969 and the Public Corporation Act of 1992) including to retain all the money it collects just like other organizations do (retention).
4	To remove the monopoly of TICTS by advertising bids to develop and operate docks for anchoring the port .	The committee recommends legal action to be taken against all people who are involved in entering the ATCL into ill contracts.
5	CHC obtain accurate records of all farms in the country, which are already privatized and those are in process, and to pay a physical visit for verification	
6	TANESCO should repair its infrastructure so as to reduce un called for energy loss, further it was recommended that government should interference on TANESCO performance so that TANESCO itself can be made accountable in case of its underperformance	

7	Government to provide a statement of the steps taken to ensure that public agencies pay their loans on time. Also the government should give guarantees to organizations that seem to work efficiently and thus be likely to pay their loans.	
8	Public Enterprises to establish procurement units to ensure that, procurement process follow rules and regulations of procurement as well as getting value for money in public procurement.	
9	Controller and Auditor General of government accounts provide report showing the transaction value for money for illegally procurement on public agencies to the public so that the public can see the financial impact of procurement without following laws and regulations on public agencies.	
10		Government should provide adequate budget to the National Council of economic investment (NEEC) National institute of Productivity (NIP) and the State mining corporation (STAMICO) so that these organizations can be able to implement their plans.
11		The committee recommends that the Medical Board should now begin the process of having its own Bonded Warehouse to facilitate drug delivery from the port as early as possible and regulatory authorities such as TBS and TFDA should go in there and inspect the drugs.
12		The Committee recommends that the current cotton board be dissolved and a fresh one should be formed.

4.4 Assessment of Follow Up of the Recommendations and Issues of the Finance and Economic Committee

The study analysis of the finance and economic committee audit report is for the period of financial years 2007/2008 and 2010/11. The assessment indicates that the government has to a large extent being responsive to its recommendations for ensuring effective economic development. Major areas that the committee is satisfied with its recommendations being taken seriously are;

- Management and implementation of national economic policies and strategies
- Revenue collection
- Implementation of strategies for National Growth and Reduction of Poverty
- Implementation of national economic empowerment programs
- Management of public expenditure
- Management of procurement.

However, there are issues that the committee recommend for immediate attention. The committee recommends need to integrate microeconomics dynamics into macroeconomic microeconomic performance of Tanzania. The committee finds this a very important linkage due to the fact that macroeconomic stability is dependent on the behaviour of microeconomic agents such individuals, households and businesses. Specific thrust of the committee recommendation is on the fact that price of commodities that ultimately impact on general inflation is partly influenced by micro level behaviour. The other related thrust of the committee recommendation is the micro effect on exchange rates, interest rates and other micro level prices for goods and services.

- The committee also suggests more attention on efforts to reduce inflation to a reasonable rate of below 20 percent.
- Increased exports well above 60 percent of the national total requirement of foreign exchange.
- Ensure sound monetary policies that ensure reasonable interest rates that can promote economic growth.
- Tackle economic mismanagement

Table 3
Summary of the Recommendations of the Finance and Economic Affairs Committee for the years
2007/2008 and 2010/2011

No	YEAR 2007/2008	YEAR 2010/2011
1	The government should control inflation to stimulate growth in attracting investors as they will be able to predict the economic cost.	The governments should employ sustainable strategies to control inflation so as to improve the lives of low income earners.
2	The mchuchuma and Kiwira coal project should be given immediate priority to meet the current demand of electricity	Programs to develop mchuchuma coal project, Liganga iron project and gas project in Mtwara and Mkuranga and the Kibanga nickel project should be given priority
3	The government should formalize artisan miners so that their work can be registered in economic statistics.	Government should complete strategies to formalize small-scale entrepreneurs to bring them out of the informal sector, a move that will help the government to raise revenues by broadening the tax base (MKURABITA)
4	A special unit to monitor the use of money and the expenditure Tracking Unity set up by the finance department should now be strengthened.	Apart from capacity building the ministry of finance should deliberately strengthen expenditure Tracking Unit, International Audit, Technical Audit and Cash Management Unit.
5	Monetary Policies should be monitored closely to achieve the goals of MKUKUTA.	The government should well supervise MKUKUTA and other development programs (TASAF, DEP, ADSP etc.). Issues of good governance and resources directed to rural areas should be considered.
6	The government should begin implementing the power project of Stigler's gouge that has been postponed from time to time.	Government should refrain from power rationing to prevent losses in our economy. Emergency Program established during power shortage should be safety nets (program of prevention). On the mining side, the government should proceed with steps to ensure that the state gets the most benefit from investments

		in the mining industry to add contribution of this sector to the GDP
7	Water irrigation projects should be implemented in conjunction with application of other inputs and other service such as establishment of agriculture bank	Improvement of institutional infrastructure and that of roads especially rural roads will help to increase productivity in the agricultural sector and thus economic growth. Governments should seek markets for commercial crops that can be easily produced by small scale farmers using affordable and sustainable technology
8	Financial institutions should be evaluated thoroughly to help low income people.	The government should complete reforms and legal operation in the financial sector to facilitate further contribution to our economy. Many citizens should get business loans, house loans as it has been pledged by the government
9	The remaining privatization of railways, TANESCO and water through lease should be made carefully and seriously.	The Second Generation Financial Reforms plan should be completed so that among other things to lower loan's interest rates to help low income people in rural areas, for example SACCOs
10		The government should building the capacity to identify other income from other sources that have the potential to provide such income
11		The government should allocate the little money available into areas that will produce more and become reliable revenue sources to help boost the economy.
12		Our area of Exclusive Economic Zone at the coast of the Indian Ocean should be fully employed as statistics show that we are missing revenue from fish products in the area.
13		The government should build capacity to use aid to invest in areas where sustainable production can be

		achieved.
14		There have been few bank beneficiaries from rural areas and the government should develop rural education in order to help citizens to benefit from these important services.
15		The government should deliberately design and introduce incentives that will attract big and small scale investors in the agricultural sector. Areas of law, tax and Charges levied in agricultural sector should be reviewed and improved
16		Our capacity as a nation to reserve only 150,000 tons of food is too small for a stock of 37 million Tanzanians. This capacity should be increased.
17		In 2006, almost 46 percent of foreign exports were from gold export. Government should speed up the diversification strategy in mining sector so that other types of minerals such as iron and nickel which currently have high price in the world market could be developed through investors.
18		In order for low income earners to access capital through banks, SACCOs etc, it is better for these institutions to lower administration costs / operating cost
19		Education should be given to encourage rural people to take and repay loans
20		Government should consider a public participatory approach in making fundamental decisions. Participation in planning and management of public expenditure with still need improvement, especially at village, local government and district levels.

21		<p>In the use of one billion shillings for each region the following should be done: -</p> <ul style="list-style-type: none">a. the loan operation should be left to appointed banksb. the region administration should order these banks to allocate funds by districtc. Government should consider the program of Grameen Bank in which one of the collateral for Grameen bank is only loyalty to the poor who asks for the loan.
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4.5 Assessment of Follow Up of Issues and Recommendations of the Public Accounts Committee

The study reviewed reports of the committee for the financial year 2008/2009 and 2010/2011. Based on the analysis, the committee notes with concern increased overdraft due to differences in revenue versus expenditure. The problem is partly attributed to expenditure outside the budgeted amount. In this regard the committee recommends need to look on the change in legal power and allow the paymaster general to play more active role in this area than simply the role of advise undertaken now. A related recommendation is to ensure all expenditure outside the budget be channelled through the parliament for scrutiny and approval.

- The committee still find delays in disbursement especially of development expenditure as a big problem. The committee single out foreign dependence on financing development budget as one of the main source of this problem. To mitigate this problem the committee recommend that a development fund using domestic sources be established.
- The committee also provided recommendations on specific weaknesses of the Tanzania Bureau of Standards in inspecting imported cars as observed by the Controller and Auditor General. In this respect the committee recommended that;
 - i) Responsible officials at the parent ministry be held accountable
 - ii) The Parliament form a special investigation committee to work with the committee on public organization accounts committee.
 - iii) The parent ministry table at the Parliament amendments to section 4(10(s) of the Act on Standards to specify that imported cars should be subjected to post shipment rather than pre shipment inspection.
- The committee advise on the management of the national debt has been to ensure proper balancing between economic development, debt servicing and rationalization of the debt records. In this respect the committee recommended need for having one point where all information of the national debt are consolidated in one point. The committee admits that government has expressed the ongoing efforts to establish such a unit within the ministry of finance.
- A related recommendation by the committee is on the benchmarking the level of government guarantee of loans by government institutions. In this issue the committee observed that the government guarantee to such loans was 96,8 percent against the recommended 70 percent. Furthermore it recommended need for establishment of an institution of an agency that will be responsible for overseeing

development of the government guarantees so that they do not turn into government debt.

- In order to strengthen monitoring of the government budget the committee recommended establishment of another parliamentary committee namely Parliamentary Budget Committee.

Table 4

**Summary of Recommendations and Issues of the Public Accounts Committee- based on which audit reports
for the years 2008/2009 till 2010/2011**

No	YEAR 2008/2009	YEAR 2010/2011
1	The government should allocate sufficient funds for the portions allotted to them.	Public fund investment must be established in order to assist public corporations in need of capital.
2	Government should lessen its recurrent budget to enhance the development budget in order to be able to implement its projects and reduce donor dependency.	The government should make a decision to repossess all its privatized cashew nuts industries whose investors have failed to run them
3	The government should restore discipline in the use of public funds in accordance with financial rules and procurement rules.	The government were advised to ensure it complements the process of creating this book that his creation will help the government started closing inventory using IPSAS Accrual basis of Accounting and eventually we may have financial statements of government accounts throughout the relevant portion able to get a clean bill.
4		The government should check if funds cover the fall of cotton prices reached to the beneficiaries as intended and should act as the parliamentary inquiry the reports.
5		The government was advised to have bonded warehouse to facilitate drug delivery port as early as possible and in the authority must be inspected and control power quality as Tanzania Bureau of Standards (TBS) and food and drug authority (TFDA).
6		The government were advised to follow closely the evolution of the fields to the privatization policy should include the intended fruit.
7		The state should make the process of looking at how best to provide funds for operating the TBC to be a tool for public broadcasting with freedom and autonomy in the public interest.
8		The government were advised to plan restructuring of the national airlines.
9	The government were advised to prepare payments to retired early in order to reduce errors in the calculations to accurately document.	
10	The Government should establish procedures to respond to PAC recommendations of the committee system in treasury notes.	

4.6 Assessment of Issues and Recommendations of the Local government Committee

The Local government Accounts Committee

For in depth analysis of this committee, the study used audit and follow up reports for the financial year 2008/2009 and 2010/2011. According to the reports, the committee has provided a number of recommendations for improvement of the way local governments are managed. One critical area that the committee focused its attention is acute financial embezzlements. The main recommendation to end this problem is change the budgeting system whereby currently the so called 'Cash budget' is relied upon. Under this system money allocated does not necessarily cater for the entire project. It can be just 15 percent only, hoping to release more funds when it is available. This system creates loopholes for abuse and misallocation of funds. It thus recommends for realistic budget that cater for the entire project. This might require reduced priorities and remain with affordable numbers only. The committee recommends efforts to strengthen revenue collection by among other things reducing tax exemptions, follow ups on outstanding tax payments and accurate estimates of tax collection that does not risk big discrepancy between planned and actual collection.

Further findings of the review of the committee reports are that, there are problems facing Committees. Such problems are likely to affect the functioning of the committees. Specifically the problems mentioned are as follows;

Inadequate time and financial resources

The critical are as follows

This is one of the major bottlenecks that affect the performance of the parliamentary oversight committees. Given the functions highlighted and the roles expected for each committee, it is paramount that adequate time is made available to conduct all the intended tasks including follow ups and proper objective research that allows balancing and counterchecking of all information. A long time there must be adequate financial resources to allow movement and access to broad range of tools and places while performing their duties. This is one of the major problems facing oversight committees.

Lack of official response and feedback to some issues raised by the committees

The committees once accomplished their tasks and submitted their recommendations they expect feedback from the executive arm for this matter the government. There are instances whereby some issues remain outstanding without official feedback for quite some time. One example is in the committee report of the LAAC in which it was indicated that all issues raised in the accounts for the year ended June 2009 were not addressed at all. Similarly in other committees some issues remain outstanding without feedback.

Delays in information submission to the Committees and to the Controller and Auditor General

Table 5
Summary of the recommendations of the local government accounts committee for the year 2008 and 2011

No.	YEAR 2008	YEAR 2011
1	For the Councils that have shortages of professionals, central government must intervene by sending or hire experts in the key positions, especially in departments of financial management, health, education, water and agriculture.	The unit of value for money Audit in the office of the National Audit to add the number of its professionals, add scope and pace in accessing councils in order to see how public money has being spent for implementation of development projects.
2	Paymaster General and Accountant General have authority to manage public funds allocated to local authorities without interfere council's autonomy	Government to take into action to the opinions stated in the audit reports accordingly, this will lead to the discipline of funds and responsibilities in the councils to be improved.
3	Council's procurement units must be strengthened by recruiting qualified staff. Regular training for all who involved in procurement at different levels in the council.	Administrators should follow laws, regulations and procedures of public procurement.
4	Government should look ways of strengthening the management of various contracts	Capacity building for the committees of finance, planning and administration in the ward councils so that they can professionally manage the development programs in their respective councils.
5	There is the need of reviewing and amending council's outdated rule and guidelines.	Changes should be made to enable committee to track expenditure of development projects so as to facilitate its efficiency.
6	The Committee calls on the government to provide information for the delay of subsidies and funds to the councils which lead to the failure of implementing some projects.	Government to adhere to the guidelines for the use of funds in some projects.

4.7 Best Practices Elsewhere That Can Help To Improve Tanzania Parliamentary Committees

In this section we provide some key practices that are anticipated to guide and promote best performance of the parliamentary committees.

4.7.1 The Role of the Parliament in Budgetary Oversight

The best practice point to the fact that budgetary oversight is the key tool with which departmentally-related committees assess government programs. Two main types of permanent committees on budget implementation are the Budget or Finance Committee, which corresponds to the Finance Ministry and both authorizes the budget bill and scrutinizes reports on its implementation. The other is a Public Accounts Committee, which is not involved in the deliberations on the draft budget. Mostly chaired by the opposition, public accounts committees usually examine reports from the country's supreme audit institution (SAI, frequently headed by an auditor-general). In Tanzania three watchdog committees have similar characteristics. The other important feature to note is the review and follows up of controller and auditor general reports as the three watch dogs do supplement the report with other sources.

4.7.2 The Role of Government in Parliamentary budget oversight committees

The practice in this area confirms that while parliamentary committees can work on written reports provided by the government, they may ask responsible ministers to explain the reports and to provide additional information on issues covered (or omitted) by the reports. When a government department wants to give a detailed account before the corresponding parliamentary committee, the responsible minister will attend and present explanations. Hence such practices can assist by giving committee members second chance to seek clarifications on matters that require further explanations.

4.7.3 The Role of the Public in Parliamentary budget oversight committees

The practice suggests that the public or citizens have a key role to play in Parliamentary budget oversight committees. This is so because oversight of the programs of the administrative branch includes the assessment of the effectiveness of service delivery. They may also want to hear the opinions of those who are either positively or negatively affected by a program. It follows therefore that public involvement in committee procedures such as public hearings can should be strengthened to enable parliamentary committees to obtain valuable information.

4.7.4 Supplement Information Gathering and Further Research through Hearing

The other important aspect of the **practice** is that to help ensure that they are able to make informed analyses and decisions, parliamentarians usually supplement government-supplied reports with information obtained from other sources. Parliaments thus have procedures for holding hearings and receiving submissions from the public that are recorded as part of parliamentary proceedings. This is the area that Tanzania parliament requires more efforts to maximize benefits

4.7.5 Parliamentary Committees seek for Expert opinions

While government officials have expertise in the specific area of administration, committees may want to seek the opinions of experts outside the government in order to obtain a different perspective on the issues under discussion. When assessing the effectiveness of government programs, parliamentary committees often find it useful to hear interested parties who are affected either positively or negatively by specific programs. Interested parties may also request that committees give them the opportunity to express their opinions. This is another best practice that can help promote functions of the parliamentary committees.

4.7.6 The Methodology and Approach used by Parliamentary Committees on Budget Oversight

The best practice elsewhere suggests that in drafting its reports the committee on budget implementation either focuses on the SAI's annual and special reports or uses the SAI's report as a reference tool when drafting its own report or the chamber's resolution on the state accounts. The committee on budget implementation can have direct access to the government's records. The committee can also ask the government to provide information through a questionnaire. Committees on budget implementation can also ask other permanent committees to carry out investigations into the implementation of specific programs. Looking on the current practice in Tanzanian parliament this is an area where some lessons can be drawn and integrated for better performance of watchdog committees.

4.7.7 Findings Presentations and Feedback

The **best practices** teach that when a committee has finished its deliberations on the issues that have been referred to it or which it has chosen to consider, it produces a report summarizing the study or investigation it has carried out and expressing its conclusions. The secretariat for drafting the reports can include specialists in the area of the committee's competence. The background and the status of advisers are not the same in all parliaments, and one parliament can have different types of adviser at the same time, including advisers provided by relevant government departments and agencies, and experts hired by committees (often on a part-time basis). In some parliaments, individual parliamentarians are assisted by party staff member(s) participating in committee sittings in an advisory capacity.

Format of Table of contents of a typical committee report

- Terms of reference/Scope of the Report
- Summary of the committee's conclusions
- Analysis and Discussion or clarifications on the reasons underpinning those conclusions
- Conclusions
- Summary record of proceedings
- Evidence taken and submissions received.

The reports in Tanzania parliamentary committees bear varying formats and this best practice provides possible format for standardizing the reports.

5. KEY FINDINGS AND RECOMMENDATIONS FOR STRENGTHENING THE PARLIAMENTARY COMMITTEES

In this study a critical review of the conduct of parliamentary committees uncovered a wide range of challenges facing the committees and provides suggestions on how best to tackle such problems. The main interpretations and implications of the challenges and findings are provided below.

5.1 Findings of the Analysis

General findings of the review of the committee are that while the oversight committees have an important role to play in government accountability, their effectiveness is hampered by several weaknesses. They are presented below as follows;

Inadequacies of research and clarity in some issues or recommendations

The committee's recommendations ought to be research based with adequate check and balances of issues reported. Interviews with the secretariats for all the committees uncovered the acute problem of the capacity along this front. To a large extent the committees are dependent on a single secretary expected to provide the function of collecting background information for the committees. To ensure effectiveness of the committee's research capacity is called for. This is one of the challenges recorded in the findings of this study. Besides, adequate time is required for making follow up and collect information that form the basis of the reports. Interviews with relevant informants uncovered that time are not adequate. Consequentially some of the recommendations though might be good enough; they appear as raw, preliminary and a call for consideration than an actionable recommendation. This perhaps is a reason for outstanding recommendations as the executive arm requires own feasibility study to ascertain the validity of the recommendations. For instance, when a committee recommend establishment of a new institution it does not give a fully account of; a) How a new institution will be different from the existing one to avoid the observed problems b) What are the additional budgetary cost of increased number of institutions, c) What are the best practice elsewhere in countries similar to Tanzania and d) How the proposal relates to the existing social, legal, political and economic environment. This has sometimes resulted into double recommendations where a committee first recommends legal change then goes to present the intended suggestion. In this case it is not easier to observe timely actions from the executive. **Therefore, improved capacity to undertake research among the committees is recommended.**

Consistency with ongoing Reforms and Parallel Efforts

The issues and recommendations of the parliamentary committees ought to supplement rather than substitute the existing policy reforms and frameworks. Hence issues and recommendations are to a large extent expected to be in the form of reminder and seek for clarifications on lagging behind of some policy and reform implementation. Review of the reports indicates that some recommendations of the committees do not consider the direction towards the reforms. In the

same spirit, inadequacies and poor performance of implementation of the policy reforms and frameworks can be questioned by the committees. Reading from the issues and recommendations of the reports of the committees the study found some cases where implementation will not be easily taken amid investigation on how they conform to the ongoing reform and new direction of the policy frameworks. However, this does not entirely prevent new ideas. It is only critical to ensure that credible and adequate regulatory and feasibility impact assessments are conducted. It will be recalled that Tanzanian economy passed through a long history featured with dramatic events from state monopoly of the 1960s-1980s followed by severe economic crisis of the 1980s-1990s and comprehensive reforms starting from early 1990s. During all these three important phases substantial and thorough analysis backed up recommendations and proposals for comprehensive reforms to avoid future problems of the scale observed during the crisis. Therefore the executive arm ought to be very careful when considering alternative solutions to avoid economic crisis observed during the period 1980s-1990s which has never been observed. **In this respect the study calls for highest reference of the existing reforms or the historical background of the proposed recommendations.**

Participatory approach and Dialogue with All stakeholder

The recommendations and issues proposed by the parliamentary committees once adopted are likely to affect the broad range of the stakeholder holders. This is why all government policies pass through various stages of stakeholders discussions. The interview with secretariats of the three watchdog committees' uncovered limited dialogue with stakeholders on issues recommended. This provides a room for directives or dictation recommendations from the Parliament to the Executive arms. The study picked some recommendations and made own assessment of the opinion of the stakeholders where some mixed feelings were evident. Given short time available for the committee it might not accomplish the dialogue for all issues in one calendar year. Since the participation of the stakeholders is very crucial, the study recommends that in circumstance where major policy changes are recommended adequate time must be provided even if it would mean more than one year. In some instances stakeholder participation can include only key actors in the sector whereas in some cases large public engagement will be required. It is only through such participation that some weaknesses and limitations of the recommendations can be screened before tabling them at the plenary sessions of the Parliament.

Expert consultations and Regulatory Impact assessment.

A related issue of concern to the way parliamentary committees arrive at their recommendations is the extent to which experts and other knowledgeable professionals are consulted by the committees before a suggestion is provided. There are evidences that such consultations are minimal. The time available for the committees might be limited but there are modes that can facilitate consultations from experts and a rapid impact assessment before a recommendation is given. **Hence this study recommends that recommendation provided by a parliamentary committee should be validated by contacting** experts in a relevant area of focus. By so doing the committee can minimize problems associated with advise that are hard to implement due to

weak technical backing. The related possible step is to conduct a critical literature survey that provides background for the solutions sought and ultimately the suggestions proposed. The experts might be contacted from government, relevant institutions, research and other stakeholders.

Selection and Sorting Issues for Analysis-Choice between Policy and administrative Issues

The study examined the modality followed when deciding on which issues to investigate or make a follow up. While to a large extent issues considered are relevant and within the scope of the committee's tasks, there are some issues that require a clear balancing before deciding which ones to consider. **In this respect it is recommended that, the parliamentary committees need to focus on policy and strategic guide while playing** oversight role and leave out administrative issues for the relevant authorities. In case it is very necessary to touch upon issues with administrative elements, the committee would simply end at alerting the relevant organs rather than providing any directive towards these fronts.

Format and Style of the Reports

The study examined the format and style used in the existing committees reports along with the coherence aspects. The length of the report would differ depending on the issues reported but the style and format need to standardize. Going through the report reveals that the reports format and other significant structure are radically different. In some of the committees, the methodology used to arrive at recommendations; data used and analyzed as well as the chronological flow of evidences used in the arguments is not part of the report. There are however, some reports that have a well organized table of context with all key issues easily accessible. **Hence the study recommends that the style of reporting also need to be standardized as the reports forms one of the important references in the economy.** By the same token, the sections and chapters of the report should therefore have a standard and clear format, style of presentation and clear scope of reporting.

7.2 Recommendations for Strengthening the Oversight Role of Committees

Based on the analysis presented in this report there are a number of recommendations provided for improvement of effective role of parliamentary oversight committees in Tanzania. The key recommendations are as follows;

Increase **human resources** available for the committees. In the interviews confirmed that most of the committees are saved with one of two secretaries. But due to limited number of staff, the work load is too big, time spent becomes short and perhaps even the research organized and conducted becomes limited. In order to improve the functioning of the committees this study recommends increase of the number of personnel in the committees from one at the moment to at least three. Given the nature of the budget and other issues considered the study recommends that at least one member should be an economist, the other and the third a public administration expert or a political scientist.

The effectiveness and relevance of the oversight committees is dependent on the extent to which the executive arm provide responses and address to issues raised. The findings of existence of outstanding feedback and follow up of issues and recommendations submitted to the government suggest the need for an **obligatory and mandatory mechanism** that forces the relevant institutions of the executive arm to respond to the matters that requires response. Hence, this study recommends need for a systematic and standard mechanism for ensuring that all issues raised are addressed and detailed responses are presented as part of the reports once addressed within a time frame of request. In each report a separate section assessing how issues raised have been addressed and update and status of those outstanding

The study team confirmed that tight timetable of activities of the parliament partly constrains the time available for the committees to function exhaustively with reasonable depth of follow up. As a result within a short period of time they committees have to address many issues partially, report and expect feedback. This is a problem because some of the recommendations comes with very little backing and inadequate evidences to convince decision makers to act upon. The executive arm sometimes need to follow up the issues recommended and ultimately make own judgment in favor or against the recommendations. To improve upon this area the study recommend need for **allocating reasonable and adequate time for the committees and enough time for** the executive arms to conduct a due diligence before a feedback is provided.

There are several issues raised by committees that are already suggested by other people or institutions. Given the position of the parliament such suggestions can gain more weight if they are jointly researched and debated. In this respect **the parliament ought to collaborate with other government institutions, experts and academic institutions** when analyzing the need for introducing new proposal or recommendation for action. By so doing the issues recommended will get an opportunity of first stage of sorting and scrutiny for technical and feasibility deficiency. For example a Committee of Finance and Economics can benefit already from views and opinions of bankers associations, CTI, Bank of Tanzania, Economics Departments within Universities and Trade Unions before compiling a formal recommendation for the plenary sessions.

Practice is the best teacher. There are other parliaments in the World including those in countries that are not very different from Tanzania. Thus one way of improving the way the committees conduct their work is via learning opportunity from practices elsewhere. The reports with recommendations can partly tackle this through referencing and quotations. The other best way is **to facilitate study tours and learning through attending committee sessions** in other parliaments from similar countries which have made some impressive development.

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Annex 1

Effectiveness and Efficiency of the Parliamentary Budget Oversight Committees

Factors Contributing to PAC Effectiveness	Assumptions and Risks
<p>Inputs</p> <p>(Formal) constitutional and legal framework for public financial accountability (i.e. the authorizing environment for the PAC)</p> <ul style="list-style-type: none"> • PAC formally established as a legal/constitutional entity with mandate for financial scrutiny oversight of the executive • Independence of PAC from party-political pressures is guaranteed by the legislature • Formal discretion established (i.e. enshrined in mandate) for PAC to select freely (i.e. without interference by the executive) topics of enquiry, timeframe of activities to be scrutinized, and witnesses to be called • Legal authority of PAC to report the findings and recommendations from its enquiries to the legislature and wider public/media • Accounting Officer function constitutionally established and departmental AOs in post <p>Established conventions and quasi-legal/constitutional principles of conduct for PAC (i.e. established institutional norms)</p> <ul style="list-style-type: none"> • Strong and explicit ethos of policy neutrality by PAC members, individually and collectively • Strong and explicit ethos of inter-party cooperation and bi-partisan approach by PAC members to enquiries and all activities <p>Supreme Audit Institutions</p> <ul style="list-style-type: none"> • Audit reports (audited financial statements and SAI opinion, VFM reports, performance audit reports, etc) submitted to PAC by SAI in a timely manner, and presented in style format that is intelligible by PAC members • Guidance from SAI on annual work plan of PAC inquiries • Ad hoc advice and briefings provided by PAC by SAI 	<p>Constitutional/legal framework and established conventions</p> <ul style="list-style-type: none"> • Westminster model and conventions of representative parliamentary democracy and public financial accountability exist and are adhered to • Political constitutional cultural environment allows the formal/legal position of PAC (and SAI) to be realized in practice • Effective limits exist to executive dominance of the political environment (i.e. existence of constitutional checks and balances) • At least one viable opposition party exists and is capable of (and recognized as being capable of) exerting a legitimate countervailing influence upon the ruling party through the legislature and the (democratic) political process • Cultural and societal values norms support principles of pluralism and competitive democratic, accountability <p>Supreme audit institution</p> <ul style="list-style-type: none"> • Financial statements are prepared promptly by finance ministry and/or spending departments at end of financial year and are submitted to SAI for audit • Strong, independent and effective Auditor General is appointed to the SAI • SAI is equipped and able to produce regular timely reports and support to PAC <p>(Non-governmental) domestic stakeholders</p> <ul style="list-style-type: none"> • Free media and active civil society exist are engaged with issues of government effectiveness, and are not subject to pressure or censure by government <p>Resources</p> <ul style="list-style-type: none"> • Resources are available, and their distribution is not dominated by an executive hostile to PAC activity

- AG established as legally constitutionally independent Officer of Parliament

(Non-governmental) domestic stakeholders

- Written evidence for specific inquires provided to PAC by (paid or pro bono) subject-matter experts
- Tip-offs received by PAC members from general public, electoral constituents, media, civil society groups; and leaks/whistle-blowing by civil servants

Resources

- Budgetary resources adequate for planned inquiries and determined independently (by a legislative commission) and allocated to PAC
- Technical and administrative support to PAC (e.g. clerk, secretariat, researchers, pro bono advisers/established and adequate to support minimum requirements of PAC remit and work plan
- Basic facilities and IT infrastructure affordable within budgeted resources and available for PAC use

International cooperation

- International technical assistance provided to PAC (e.g. donor agencies, WBI)
- International peer reviews conducted by other PACs and parliamentarians (e.g. SISMA(), and feedback recommendations provided
- International cooperation and joint learning events through international parliamentary network associations (e.g. CPA)

Immediate effects (on PAC processes)

Conventions of PAC conduct

- Focus of PAC inquires on implementation administration of policy rather than on the merits of the policy itself
- Focus of performance of the bureaucracy (rather than political executive/ministers)
- Preference for and pursuit of, unanimity consensus in PAC decisions and recommendations

Conventions of PAC organization

- Balanced composition of PAC membership that reflects representation of parties (and political interests) in the legislature
- Chairperson of PAC is a senior and respected back/bench member of the principal opposition party in legislature

International cooperation

- International parliamentary networks exist are meaningfully engaged with by PAC/parliamentarians

Conventions of PAC conduct and organization

- There is an ethos of policy neutrality by PAC members, individual and collectively
- There is an ethos of inter-party cooperation and bi-partisan approach by PAC members to enquiries and all activities
- There is a viable and active parliamentary opposition
- The broader political environment allows for some form of independence
- There will not be harassment and intimidation of PAC members

Formalised working practices

- The chair is effective and committed to independent audit of executive
- PAC members have adequate time available alongside their other parliamentary (and legitimate extra-parliamentary) duties to prepare for PAC meetings hearings
- PAC is able to determine an optimum frequency for its meetings and then achieves a regular quorum
- The Accounting Officer function is constitutionally established and departmental AOs in post
- There is an interested and engaged media and public that is capable and inclined to attend public hearings

Intra-governmental cooperation

- Strong independent and effective Auditor General is appointed to the SAI
- A minimum level of cooperation between PAC and executive, to make PAC mandate practicable

Infrastructure and resources

- Predictable release of budgeted resources for PAC premises, equipment and support staff

<p>Formalised working practices</p> <ul style="list-style-type: none"> • Annual work plan of PAC inquiries developed by PAC Chair and agreed by PAC members • Proper advance preparation for hearings carried out by PAC members • Regular meetings inquires/hearings scheduled and held i.e. adequate frequency to provide coverage of SAI reports/executive activities) • Standard length of hearings is established and adhered to (i.e. adequate for PAC to elicit detailed information from all invited witnesses) • Use of public hearings as norm for PAC proceedings (with closed sessions as exception for subjects of national security) • Formation use of sub-committees to conduct specific inquires <p>Infrastructure and resources</p> <p>Premises, equipment and support staff all in place to support minimum level of PAC functionality</p>	
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<p>Outputs</p> <p>PAC reporting and recommendations</p> <ul style="list-style-type: none"> • PAC enquiries produce consensus among PAC members on findings and conclusions; reports and recommendations thus represent a unanimous or clear majority) opinion of the PAC • PAC reports produced published in a timely manner and submitted to parliament and the executive) together with clear recommendations on actions required by the executive to improve public financial accountability • PAC recommendations presented to a session of the full legislature (or applicable chamber) and debated, with a reasonable time period <p>Follow-up of PAC recommendations</p>	<p>PAC reporting and recommendations</p> <ul style="list-style-type: none"> • PAC members possess a genuine commitment to independent audit of executive <p>Follow-up of PAC recommendations</p> <ul style="list-style-type: none"> • Parliament is equipped and disposed to handle reports appropriately • The executive is obliged by political constraints to respond properly and act upon proposals
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