



THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF FINANCE
PUBLIC PROCUREMENT REGULATORY AUTHORITY



ANNUAL PERFORMANCE EVALUATION REPORT

FOR THE YEAR ENDED 30TH JUNE, 2023

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CHAIRPERSON STATEMENT

DEAR STAKEHOLDERS

On behalf of the Board of Directors, I am honoured and privileged to present the Annual Performance Evaluation Report for the Financial Year (FY) ended 30th June 2023. Pursuant to Section 29(1)(a) and (b) of the Public Procurement Act, CAP 410, the Report consists of, among other things, the evaluation of the PEs, operations with respect to compliance, audit findings resulting from procurement monitoring, audit, investigation, and corrective measures taken.

The Board is committed to the overarching principle of good governance geared towards achieving fair, competitive, transparent, non-discriminatory and value for money procurement standards and practices in the country. It affirms its responsibility to determine the organisation's strategic direction and guide management in cultivating a culture of ethical conduct through its shared values.

In discharging this noble goal, the Board initiated some interventions in the reporting period primed at strengthening its governance architecture. Under the policy guidance of the Minister of Finance, the Board undertook the development of the National e-procurement System of Tanzania (NeST). The system is being developed to address various challenges of TANePs to cope with the rapidly changing technology in cyberspace.

During the year under review, the authority continued to improve its operational systems by developing a new e-procurement system known as NeST. The system is expected to enhance adherence to the OECD's Ten (10) Principles, which are anchored in four (04) key pillars for enhancing accountability and integrity in procurement procedures and practices.



Dr. Leonada R. Mwangike

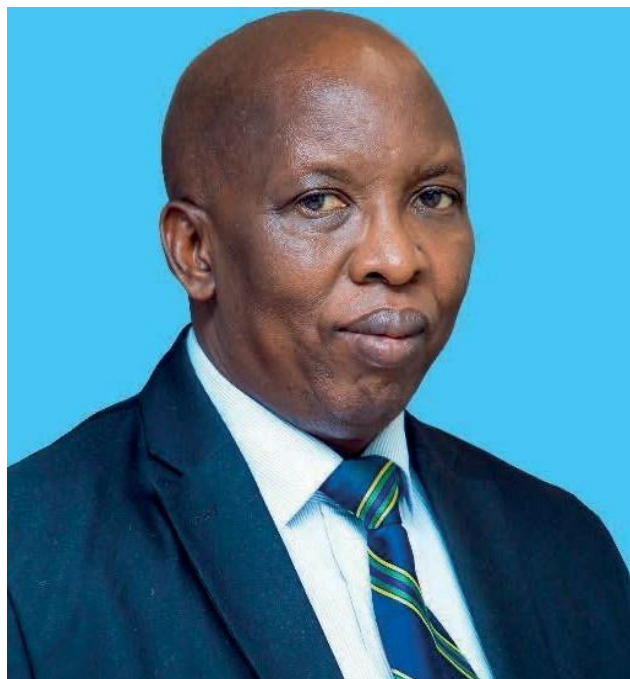
The Board conveys its sincere appreciation and gratitude to the Government under the able and charismatic leadership of Her Excellence, Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania, for the guidance, directives, and support, which enabled the Board discharge its mandate swiftly, efficiently and effectively. The Board reiterates its unwavering commitment to ensuring public procurement is carried out in a manner that maximises integrity, competition, accountability, efficiency, transparency and achieves value for money.

A handwritten signature in blue ink, appearing to be 'L. Mwangike', written in a cursive style.

Dr. Leonada R. Mwangike
BOARD CHAIRPERSON

“Following the appointment by the President of the United Republic of Tanzania, and with one year served as the Board Chairperson, the key motive was to undertake transformation in public procurement process; by upholding value for money in public

CHIEF EXECUTIVE OFFICER STATEMENT



Mr. Eliakim C. Maswi

The Public Procurement Regulatory Authority has undergone continuous transformation through the Government's efforts to ensure that it is in tandem with emerging issues in procurement, technological changes and best practices that uphold the principles of transparency, accountability, integrity, fairness, competition and value for money.

In its role of monitoring compliance with the Public Procurement Act, Cap 410, the Authority conducted compliance and value for money audits, which involved 860 sampled tenders worth TZS. 432.16 billion. Out of this, 377 tenders worth TZS. 131.67 billion were audited through TANEPS monitoring and 483 tenders worth TZS. 300.42 billion were audited through procurement audit (VfM) at the respective PEs. The Authority also conducted two special audits and ten procurement investigations in respective procuring entities; to determine the level of compliance with the provisions of the Act, Regulations and Guidelines. Moreover, the Authority followed up on the implementation of 1,271 previous audit recommendations issued to MDAs, Parastatals, RS and LGAs.

The Authority provided the stakeholders with 497 legal and technical advisory services on PPA and PPR upon request. The requests for advice were mainly on areas related to; the use of an e-procurement system

system; the use of proper bidding documents; evaluation criteria; contract management and the application of procurement methods.

During FY 2022/23, the Authority conducted procurement audits to 180 PEs, which includes MDAs, LGAs and PAs. The Authority also conducted a total of 12 investigations during the reporting period. Moreover, the Authority implemented a robust capacity building programme to ensure effectiveness in using NeST, whereby 1,510 public servants from 309 PEs and 532 Tenderers participated.

PPRA operated with an approved annual budget of TZS 28.742 billion to facilitate the implementation of its priority planned interventions for the FY 2022/23. The total budget consisted of TZS 19.729 billion for Recurrent Expenditure and TZS 9.013 billion for Development Expenditure.

The Authority will continue strengthening its regulatory capacity by promulgating Guidelines that will promote an efficient, fair, transparent and competitive public procurement system. The Crafting of Compliance, Monitoring and Evaluation is a significant step in enforcing compliance and professionalisation in public procurement. The Authority will continuously promote Staff development, acquisition of modern monitoring tools, use of advanced technology and spearhead legal reforms in public procurement.

Mr. Eliakim C. Maswi

CHIEF EXECUTIVE OFFICER

ABBREVIATIONS AND ACRONYMS

AOs	Accounting Officer
APER	Annual Procurement Evaluation Report
AQRB	Architects and Quantity Surveyors Registration Board
BF	Basket Fund
BoT	Bank of Tanzania
CAP	Chapter
CEO	Chief Executive Office
CPA	Certified Public Accountant
CRB	Contractors Registration Board
CS	Consultancy Services
CSOs	Civil Society Organisations
CTB	Central Tender Board
CUISS	Commonly Used Items and Services
DC	District Council
DCC	Dar-es-salaam City Council
DCEA	Drug Control and Enforcement Authority
DMI	Dar es Salaam Maritime Institute
EAC	East Africa Community
EAPPF	East Africa Procurement Forum
EFD	Electronic Fiscal Device
EOs	Economic Operations
ERB	Engineers Registration Board
ESHS	Environmental Social Health and Safety
EWURA	Energy and Water Utilities Regulatory Authority
FA	Force Account
FY	Financial Year
GARI - ITS	Government Audit Recommendations Implementation Information Tracking System
GASCO	Gas Company Tanzania Limited
GPSA	Government Procurement Services Agency
HQ	Head Quarter
IPC	Interim Payment Certificate
ISS	Integrated Security System
JKCI	Jakaya Kikwete Cardiac Institute
JNHPP	Julius Nyerere Hydroelectric Power Plant
LGAs	Local Government Authorities
MDAs	Ministry Department and Agencies
MLVMCT	Multinational Lake Victoria Maritime Communication Project
MoCLA	Ministry of Constitutional and Legal Affairs
MoDNS	Ministry of Defense and National Services
MoE	Ministry of Education Science and Technology
MoFP	Ministry of Finance and Planning
MoW	Ministry of Work
MSD	Medical Store Department
MTEF	Medium Term Expenditure Framework
MU	Mzumbe University
NAOT	National Audit Office
NBAA	National Board of Accountants and Editors

NCAA	Ngorongoro Conservation Area Authority
NCC	National Construction Council
NCS	non-consultancy services
NeST	National e-Procurement System of Tanzania
NHC	National Housing Corporation
OC	Other Charges
OPD	Out Patient Department
PA	Public Authorities
PA	Parastatal Organization
PBPA	Petroleum Bulk Procurement Agency
PE	Personal Emoluments
PEs	Procurement Entities
PFMRP	Public Finance Management Reform Program
PIT	Procurement Implementation Tools
PMG	Pay Master General
PMU	Procurement Management Unit
PPA	Public Procurement Act
PPAA	Public Procurement Appeals Authority
PPR	Public Procurement Regulations
PPRA	Public Procurement Regulatory Authority
R.E	Revised Edition
RNCT	Restricted National Competitive Tendering
RS	Regional Secretariat
SMF	Self Microfinance und
STDs	Standard Tender Documents
TAA	Tanzania Airport Authority
TANePS	Tanzania National e-Procurement System
TANTRADE	Tanzania Trade Development Authority
TARI	Tanzania Agricultural Research Institute
TARURA	Rural and Urban Roads Agency
TASAC	Tanzania Shipping Agencies Corporation
TAWA	Tanzania Wildlife Management Authority
TB	Tender Board
TBA	Tanzania Building Agency
TCB	Tanzania Cotton Board
TEMESA	Tanzania Electrical, Mechanical and Electronics Services Agency
TIA	Tanzania Institute of Accountancy
TMDA	Tanzania Medicine and Medical Development Authority
TPA	Tanzania Ports Authority
TRC	Tanzania Railway Corporation
TTB	Tanzania Tourist Board
WAN	Wide Area Network

DEFINITION OF KEY TERMS

Procurement	- Means buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a procuring entity and includes all functions that pertain to the obtaining of any goods, works or services, including description of requirements, selection and invitation of tenderers, preparation, award and management of contracts.
Public Procurement	- Means procurement buying for the public and in public
Procuring Entity	- Means a public body and any other body, or unit established and mandated by Government to carry out public functions.
Stakeholders	- Are individuals, groups or organizations that have an interest, concern or involvement in particular project, organization or issues.
Tenderer	- Means any natural or legal person or group of such persons participating or intending to participate in procurement proceeding with a view to submitting a tender in order to conclude a contract and includes a supplier, contractor service provider or asset buyer.
Tender document(s)	- Means a written or electronic document or request for proposal inviting tenderers to participate in procuring or disposal by tender proceeding and includes document inviting potential tenderer for pre-qualification.
e-Procurement	- Means the use of information and communication technology by the Government in conducting procurement functions.
Authority	- Means the Public Procurement Regulatory Authority.
Goods	- Means raw materials, products, equipment and other physical objects of every kind and description, whether in solid, liquid or gaseous form, electricity, intangible asset and intellectual property, as well as services incidental to the supply of the goods provided that the value of the services does not exceed the value of the goods themselves.
Consultancy Services	- Means activities of an intellectual and advisory nature that do not lead to a measurable physical output and includes design, supervision, training, advisory, auditing, software development and similar services.
Non-Consultancy services”	- Means any object of procurement other than goods, works and consultancy services.
Works	- All works associated with the construction, reconstruction, demolition, repair or renovation of a building, structure, road or airfield .
Value for Money	- Means the maximum benefit from goods, works or services procured with the resources available worth the cost incurred.

EXECUTIVE SUMMARY

The Annual Procurement Evaluation Report (APER) for the financial year 2022-2023 has been prepared to comply with Section 29 (1) (a) and (b) of the Public Procurement Act, Cap 410. This is the 17th APER prepared by the Authority to inform Government, stakeholders and the general public on procurement performance for the year ended 30th June 2023. The APER comprises five chapters, which cover, among other things, the Authority's performance and evaluation of Procuring Entities (PEs) operations in terms of compliance, audit findings, complaints investigated and corrective actions taken to improve public procurement systems to achieve value for money.

During the year under review, the Authority had an approved budget of TZS 28.74 billion, out of which Recurrent Expenditure was TZS 19.73 billion and Development Expenditure was TZS 9.01 billion. As of 30th June 2023, the Authority had a total revenue of TZS 24.94 billion, equivalent to 86.7% of the approved budget. Also, the Authority's expenditure was TZS 24.61 billion, equivalent to 85.6% of its annual approved budget.

The Authority planned to implement various key priority interventions as provided in the budget for FY 2022/23. The planned interventions include; the development of new e procurement system (i.e., National e-Procurement System of Tanzania - NeST), monitoring and compliance of PEs, development and review of procurement implementation tools, provision of advisory services, capacity building, research and development initiatives, strengthening regional corporation in procurement issues, human capital engagement, media campaign and awareness programs.

The Authority managed to develop NeST, which is expected to, among other things, increase accountability, efficiency, fairness, integrity and transparency in public procurement. The system has five (5) modules, namely; e-registration, e-tendering, e-contract, e-catalogue, e-Auction, and e-payment, where by, as at June 30th 2023, two modules had been completed and operational (e- registration and e- tendering).

Other achievements include; a review of 14 procurement implementation tools; provision of capacity building to 2,072 participants from PEs and other stakeholders, provision of legal and technical advisory service to 497 PEs and other stakeholders and media campaign and awareness programs conducted to 8,310 participants from 9 regions. Also, five (5) companies were debarred on different periods due to non-compliance with the Public Procurement Act, Cap. 410. The Authority also completed the development of the Public Procurement Research Policy and Agenda, which will streamline research initiatives and embrace best practices, emerging trends and technologies for better outcomes. Further, the Authority reviewed the performance of projects implemented using Force Account (FA) procedure through a joint study with ERB, CRB, AQRB and NCC.

During the period under review, the Authority monitored public procurement activities through e-procurement (TANePS) and conducted audits to ascertain the achievement of value for money. The analysis on the use of TANePS revealed that out of 864 registered PEs, 732 were active, while 132 were inactive. Also, the assessment revealed further that, out of 864 registered PEs, 732 submitted their APPs through TANePS with the value of TZS 23.84 trillion, while 58 did not submit their APPs through TANePS.

Analysis of the tenders processed and awarded through TANePS revealed that, out of 46,996 tenders processed through TANePS, only 5,890 contract awards were published through TANePS. The analysis concluded that there was partial utilisation of TANePS since a significant number of tenders were finalised outside TANePS. The anomaly is mainly attributed to the leeway under Regulation 342(1) of PPR, 2013, which provides an option for PEs to use the e-procurement system partially.

The Authority assessed the use of TANePS to 91 PEs and a value for money audit to 89 PEs. The audit covered 75 MDAs, 62 RS and LGAs and 44 PAs. The overall average compliance levels for PEs audited through TANePS and value for money were 65.1 per cent and 66.7 per cent, respectively. This implies that the compliance level for both audits is fair. The entities with poor performance were 25, equivalent to 27.5 per cent of audited entities, including 20 LGAs, 03 PAs and two MDAs. The report indicates a decrease in the performance score of audited entities, thus a need for robust monitoring of respective PEs.

Also, the Authority conducted investigations and special audits on 12 PEs, whereas the Government incurred a total loss of TZS 8.77 billion due to a lack of accountability, efficiency, transparency and integrity in the PEs investigated. However, the Government made a direct saving of public funds amounting to TZS 523.13 million, resulting from the recovery of advance payments and Value Added Tax. Notable audit findings in Value for Money audit, audit through TANEPS, investigations, and special audit include:

- (i) Procurement of goods worth TZS 5.07 billion without requesting Electronic Fiscal Devices (EFD) receipts, which led to a loss of TZS 773.52 to the Government;
- (ii) Procurements of TZS 661.68 million were supported by forged EFD receipts, thereby causing a loss of TZS 100.93 million;
- (iii) Procurements worth TZS 3.96 billion for undelivered goods and non-executed works;
- (iv) Awards of contracts worth TZS 485 billion to un-qualified bidder
- (v) Inadequate supervision of construction contracts led to delay and non-completion of projects worth 8.88 billion
- (vi) Improper use of single source procurement method that hindered competition and fairness for procurements worth TZS 209.98 billion;
- (vii) Unfair Evaluation of Tenders worth TZS 366.07 billion
- (viii) Payments worth 5.54 billion made for goods not delivered and works not executed
- (ix) Implementation of Unplanned Procurement for Contracts worth TZS 17.53 billion without approval of the Accounting Office ;
- (x) Award of contracts worth TZS. 7.32 billion after the expiration of the bid validity period;
- (xi) Signing of contracts worth TZS 29.31 billion before being vetted by the Attorney General
- (xii) Inefficiency use of the e-Procurement System by 51 PEs to process tenders worth TZS. 189.05 billion;
- (xiii) Implementation of Contracts worth TZS. 7.18 billion without performance Securities;
- (xiv) Procurements worth TZS. 11.53 billion without signing and entering into formal contracts.

In addressing the aforementioned findings, the Authority issued various recommendations with directives on corrective measures to be implemented. Furthermore, it is recommended that the relevant authorities take immediate action to address these issues and monitor the implementation of these recommendations to achieve better outcomes in future financial years.

Despite of the accumulated achievements, the Authority faced challenges in undertaking the mandated functions, both internally and externally. Some of the mitigating measures include: improving the e-procurement system; liaising with Ministry of Finance on the required law amendments, in particular, the PPRA's annual reporting requirements; and the possibility of having sufficient funds to audit at least 50 per cent of the total number of registered PEs which will enhance ease implementation of monitoring activities.

In conclusion, the Authority shall endeavour to continue offering technical support and capacity building to the PEs to achieve compliance with the Act, Regulations and guidelines. Further, the development of NeST will assist the Authority in undertaking real-time monitoring of procurement processes, thereby ensuring preventive measures are triggered and executed timely.

CHAPTER ONE INTRODUCTION

1.1 Institution Background

Public Procurement Regulatory Authority (PPRA) is a regulatory body established under the Public Procurement Act, Cap 410 and charged with the responsibility to regulate and oversee public procurement and related matters as prescribed in the Act. PPRA was established in May 2005 after the enactment of Public Procurement Act, No. 21 of 2004 and charged with the responsibility to regulate and oversee implementation of the Act.

1.1.1 Core Function

The functions of PPRA as stipulated in Section 9 (1) of the PPA CAP 410 (R.E. 2022). Among others these functions are as summarized hereunder:

- a) To offer advisory services on public procurement issues to public bodies and any other person;
- b) To monitor and enforce compliance with PPA;
- c) To prepare, update and issue standard bidding documents and guidelines for the better carrying out of procurement activities;
- d) To build capacity to stakeholders engaged in public procurement issues in the country;
- e) To determine, develop, introduce, maintain and update related system to support public procurement by means of information and communication technology including the use of public electronic procurement;
- f) To institute procurement audits during the tender preparatory process, contract audits in the course of execution of an awarded tender, and performance audit after the completion of the contract in respect of any procurement as may be required; and
- g) To conduct research and surveys on procurement matters.

1.1.2 Vision, Mission and Core Values

- a) **Vision:** A public procurement system that offers value for money.
- b) **Mission:** To regulate public procurement system and promote best practices for attaining value for money.
- c) **Core values:** PPRA has identified the following basic core values which will govern its relationship with the internal and external stakeholders which are Integrity, Teamwork, Professionalism, Innovativeness and Confidentiality.

1.2 Corporate Governance Structure

1.2.1 The Board of Directors

Pursuant to Section 21 of Public Procurement Act, [CAP 410, R. E. 2022], the Board of Directors is the governing body of the Authority. The Board consists of seven non-executive members whose chairman is appointed by the President and the other six members are appointed by the Minister responsible for Finance. The Chief Executive Officer of PPRA, who is appointed by the President, is the Secretary to the Board. The Board, for better carrying out of its function, has established three committees namely; Advisory; Audit and Technical Committee as provided for under Section 22 of CAP 410, R. E. 2022

1.2.2 Management

The Management is responsible for day-to-day operations of the Authority and headed by CEO who also serves as Secretary to the Board and responsible for proper administration and affairs of the Authority. The Management team, under the supervision of the CEO is structured into five divisions and two Units. The divisions include Capacity Building and Advisory Services, Monitoring and Compliance, Legal and Public Affairs, Information Systems, and Corporate Services, whereas the units consist of Internal Audit and Procurement Management.

1.3 Rationale of the APER

This is the 17th APER of the Authority. The APER for the Financial Year (FY) 2022/23 has been prepared to comply with the requirements of Section 29 (1) (a) and (b) of PPA, CAP 410 (R.E.2022) that requires the Authority to submit to the Minister and the Controller and Auditor-General an APER in respect of that year's activities, within three months after the end of each financial year. Furthermore, through this report, PPRA informs stakeholders and the general public on the Authority's performance, an evaluation of operations of procuring entities in respect to compliance, audit findings, complaints investigated and corrective actions taken.

1.4 Beneficiaries of APER

The Authority has continued to maintain positive relationships with its stakeholders to strengthen and sustain its operations. To this end, the Authority has identified five categories of beneficiaries which include Government Institutions, the Private Sector, Development Partners, Employees and the General Public. Therefore, in APER preparation processes, the Authority considers the benefits of all beneficiaries shown in Table 1.

Table 1 - 1: List of Beneficiaries of APE

S/N	Beneficiarie	Benefit
1.	Government Institutions	Government institutions use the report to assess the level of integrity, transparency, fairness, good management and accountability in public procurement processes. It allows government institutions to benchmark their own procurement practices against standards and best practices.
2.	Private Sector	The report builds confidence to the private sector that procurement processes are fair, transparency, non-discriminatory and competitive, thereby providing equal opportunities for businesses. In addition, it gives the private sector insights into government procurement.
3.	Development Partners	Development Partners can assess whether their funds are being used effectively and in accordance with agreed standards. It also helps development partners measure the impact of their support on public procurement programs and governance. Also, they can use the report's recommendations to align their future support.
4.	Employees	Employees use the report to evaluate their performance and identify areas for improvement. In addition, it helps employees identify training needs or areas where they can enhance their skills.
5.	General Public	The report promotes transparency, enabling the general public to hold the government accountable for how the public funds are spent. It also fosters trust in government institutions by demonstrating commitment to fair and responsible procurement practices.
6.	Media	The Media uses the information contained in the report to advocate for better procurement practices, educate the public, and promote transparency and accountability in the procurement process. These actions help to ensure that public and private entities engage in responsible and efficient procurement, ultimately benefiting the broader society.

1.5 Layout of the Report

The APER for FY 2022/2023 consists of five chapters which are;

Chapter one, is the introduction which consists of institution background, corporate government structure, rationale of the report and beneficiaries of APER

Chapter two, presents evaluation of authority's operation which consist of annual plan and budget for FY 2022/23, planned intervention against implementation as well as information relating to human capital.

Chapter three, highlights performance of procuring entities which consist of profile of procuring entities,

monitoring of procurement activities, compliance audits, value for money audits, as well as comparative analysis of compliance.

Chapter four, highlights investigation and special audits conducted, with recommended corrective measures, assessment of corruption red flags, and savings realized/losses occurred.

Chapter fiv , highlights the challenges, recommendations and actions to be taken which consist of internal and sectorial key challenges.

CHAPTER TWO

EVALUATION OF THE AUTHORITY'S OPERATIONS

During the year under review, the Authority evaluated its operations and the annual management plan to comply with the requirements of Section 29 (1) (i) of PPA, CAP 410 (R.E.2022). The evaluation covered the approved Budget for the FY 2022/23 and key priority interventions implemented by the Authority.

2.1 Annual Plan and Budget for FY 2022/23

During the year under review, PPRA operated with an approved annual budget of TZS 28.742 billion consisting of TZS 19.729 billion for Recurrent Expenditure and TZS 9.013 billion for Development Expenditure.

2.1.1 Budget and financial performance

During the year, the Authority had total available funds of TZS 24.94 billion, which was 86.78 percent of the Annual Budget. The Authority's total expenditure was TZS 24.632 billion, which is equivalent to 86 percent of its approved annual budget. This total expenditure consisted of recurrent expenditure amounting to TZS 16.977 billion and development expenditure amounting to TZS 7.655 billion. Table 2-1 provides a summary of actual expenditure, available funds against the approved annual budget in FY 2022/23.

Table 2 - 1: Approved budget vs actual expenditure as at 30th June, 2023

TZS "000"

S/N	Description	Approved Budget	Available Funds	Actual Expenditure	Balance from Available Funds
	1	2	3	4	5= (3)-(4)
1	Recurrent Expenditure				
1.1	Other Charges				
	GoT Subvention Other Charges (OC)	2,405,311	2,405,311	2,405,311	0
	Own sources	14,493,369	11,578,753	11,267,221	311,532
1.2	Government Subvention (PE)	2,830,348	3,304,712	3,304,712	0
	Total Recurrent Expenditure	19,729,028	17,288,776	16,977,244	311,532
2	Development Expenditure				
2.1	PFMRP Local fund	7,107,600	7,050,000	7,050,000	0
2.2	Development – BF	400,000	0	0	0
2.3	Own Source Dev	1,505,631	605,746	605,046	0
	Total Development Expenditure	9,013,231	7,655,746	7,655,046	0
	Total PPRA Budget	28,742,259	24,943,822	24,632,290	311,532

2.2 Planned Intervention against Implementation

During the year under review, PPRA planned to implement various key priority interventions as provided in the budget for the FY 2022/23. The planned intervention includes; Capacity building, Development and Review of Procurement Implementation Tools, Provision of Advisory Services, Media campaign and awareness programs, Research and Development initiatives, strengthening regional corporation in procurement issues, Monitoring and compliance of PEs, Development of National e-Procurement System of Tanzania – NeST and Human Capital engagement.

2.2.1 Capacity Building

The PPA has entrusted PPRA with the mandate to enhance capacity among stakeholders in the country on matters related to Public Procurement. During the year under review, PPRA continued to implement its Capacity Building Plan through conducting training and seminars that aimed at increasing awareness and enhance the capacity of procurement stakeholders, as explained hereunder.

a) Training on PPA and PPR

During the year under review the Authority conducted a training on PPA and PPR to a total of 1,280 participants from 262 PEs. These trainings were conducted in two different modalities which are Tailor Made training and Dissemination Workshops.

i) Tailor Made training on PPA and PPR

Tailor-made training on the application of PPA and procurement implementation tools was offered to 574 public servants from 26 PEs as compared to 1,200 participants from 40 PEs that were targeted for the FY 2022/23. These training sessions were conducted to Government Officials from MU, SMF, TBA, TAWA, EWURA, TRC, MSD, TIA, TCB, TTB, PBPA, NCAA, JKCI, MoF, TanTrade, DMI, MoW, Road Fund Board, NBAA, TAA, GASCO, NAOT, TPA – Mtwara, MoDNS, MoE and BOT.

ii) Dissemination workshops on PPA and PPR

Dissemination workshops on PPA, PPR, and procurement implementation tools were conducted to 706 public servants from 236 PEs as compared to 1,000 participants that were targeted from 800 PEs. The workshops were conducted in Arusha, Morogoro, Mwanza and Dodoma.

iii) Training of PPA and PPR to other Stakeholders

The Authority conducted training sessions on the PPA and PPR to 357 students. This included 278 members of Federation of Procurement and Supplies Students Association Club in Dodoma and 79 members of the TIA Procurement Professional Club.

b) Training on application of TANePS

The Authority conducted trainings on TANePS to a total of 435 participants from 245 PEs. These trainings were conducted in two different modalities which are Tailor Made and Dissemination Workshops.

01) Tailor Made Training on Application of TANePS

Tailor-made training on application of TANePS was offered to 178 public servants from 9 PEs as compared to 300 participants from 20 PEs that were targeted for FY 2022/23. These training sessions were conducted to DCEA, TARI, TASAC, Tanga DC, BoT, Keko Pharmaceuticals Industries Ltd, MoCLA, Wanging'ombe DC and NHC.

02) Dissemination Workshops on TANePS

Dissemination workshops on application of TANePS were conducted to 257 participants from public institutions as compared to 800 participants that were targeted. The workshops were conducted in Morogoro, and Mwanza. Furthermore, training on application of TANePS to other procurement stakeholders was conducted to four groups whereby a total of 166 Economic Operators in Arusha, Morogoro and Mwanza participated.

2.2.2 Development and Review of Procurement Implementation Tools

The Authority has continued to adopt changes in Procurement Implementation Tools [Guidelines and Standard Tender Documents (STDs)]. For the FY 2022/2023, the Authority prepared various guidelines and tools that have eventually been embedded in the NeST. In total, ten (10) new procurement implementation tools were developed, and 57 existing tools were reviewed and disseminated as shown in the Table 2-2.

Table 2 - 2: List of procurement Implementation Tools developed or reviewed

S/N	Description	Developed	Reviewed
1.	Standard Tendering Documents	4	37
2.	Procedural forms	-	20
3.	Procurement guidelines	6	-
TOTAL		10	57

2.2.3 Provision of Advisory Services

During FY 2022/23, PPRA continued to provide legal and technical advisory services on PPA and PPR as follows;

a) Technical Advisory Services

The Authority provided 476 technical advisory services on PPA and PPR on areas related to; use of proper bidding document; evaluation criteria; institutional setup mainly on issues related to Tender Board; guidance on tender cancellation as well as contract management and on application of procurement methods.

b) Legal Advisory Services

The Authority provided Legal Advisory Services on matters related to applications submitted to PMG for retrospective approval, disciplinary measures against defaulters of the procurement law and PEs applications for debarment. Details of legal matters dealt with during the review period are provided in Table 2-3:

Table 2 - 3: Legal Matters dealt with by the Authority.

S/N	Application of Retrospective Approval	Debarment Matters	Disciplinary measures on complaints review decisions
1.	Nine (9) applications were pending waiting for PEs to submit relevant documents.	19 debarment proposals were received from 13 PEs. 11 out of 19 proposals were rejected for being submitted out of time hence were recommended for Investigation. Five proposals were upheld and the company was debarred for different period. The remaining three proposals were at review stage.	The Authority received four (04) copies of administrative decision from AOs and 17 copies of appeal decisions from PPAA. No disciplinary measures were recommended against staff involved in the respective tender processes as the alleged breaches did not warrant it.

2.2.4 Media campaign and awareness programs

In the FY 2022/23, the Authority conducted a special campaign to create awareness about public procurement opportunities prescribed by the PPA for special groups which are women, youth, elders and people with disabilities.

During a media campaign, the Authority organized seminars in 30 districts across nine (9) regions of Dar es Salaam, Mtwara, Tabora, Mwanza, Dodoma, Arusha, Manyara, Rukwa and Pwani, with a total of 1,560 participants. In addition, the Authority participated and presented in seminars organized by Clouds Media Group, which attracted a total of 6,750 participants across eight (8) regions of Rukwa, Tabora, Dodoma, Mwanza, Arusha, Mtwara, Dar es Salaam and Pwani.

Furthermore, the Authority participated in 19 TV programs and 32 radio programs aiming at educating stakeholders and the general public on procurement regulatory matters. It also organized three press conferences whereby the media was briefed on the APER findings for the FY 2021/2022, the establishment and use of NeST and the general procurement related issues.



PPRA Board Chairperson, Dr. Leonada R. Mwangike (left) and PPRA Chief Executive Officer M . Eliakim C. Maswi at a press conference about NeST, in Dodoma

During the year under review, the following research and development initiatives were undertaken to ensure that procurement researches are strategically conducted as follows;

- a) Prepared an internal Public Procurement Research Policy that guides procurement research activities by defining guidelines and procedures that adhere to legal, professional and ethical standards. Furthermore, the Policy enables the Authority to conduct research and identify best practices, emerging trends like sustainable public procurement and technologies;
- b) Prepared a Research Agenda that outlines the key research questions, goals, and priorities for the Authority. The document serves as a guiding framework that influences and shapes various aspects of the research process and its impact. It provides leeway for conducting both basic and applied procurement research, generating new knowledge that responds to contemporary and emerging issues in the procurement field ;
- c) Conducted a pilot market survey for Commonly Used Items and Services (CUIS) used by the Government in five (5) regions of Tanzania Mainland. The survey involved the data analysis of collected prices. The result of the survey triggered the need for the Authority to develop a Market Survey System for CUIS, which allows users to register and enter price information from different regions; and
- d) Conducted a joint study with ERB, CRB, AQRB and NCC to review the performance of projects implemented using Force Account (FA) procedure. The study produced a report that presents the findings which serves as a benchmark towards another planned study with the aim of ascertaining the effectiveness of FA procedures.

2.2.5 Strengthening Regional Co-operation in Procurement issues

The Authority continued to strengthen ties with Regulatory Bodies of other countries by participating in the regional governance workshops and forums and hosted delegates from other countries' Public Procurement Regulatory bodies.

a) East African Procurement Forum

The Authority participated in the 14th East African Procurement Forum (EAPF) in Kampala Uganda between 23rd and 24th March, 2023. The theme of the forum was "Open Contracting as a Vehicle for Sustainable Development". The Forum was attended by 490 delegates drawn from the EAC member states including participants from the public and private sectors, civil society, media and development partners. Out of 490, 20 delegates were from Tanzania mainland and five (5) delegates were from Zanzibar. The forum serves as a framework that helps participants learn and benchmark with each other on their respective public procurement systems including policies and enforcement measures. The implementation of the resolutions was decided to be submitted on the next EAPF as presented in Table 2- 4.

Table 2 - 4: Resolutions of 14th East African Procurement Forum

S/N	Resolutions	Elaboration on what action is required
1	Implement open contracting data standards to ensure transparent and equitable public procurement	Public procurement transactions and records should be transparent and open to the public and other procurement stakeholders.
2	Mainstream sustainability provisions of Environmental, Social, Health and Safety (ESHS) in public procurement.	ESHS requirements should be incorporated in the tendering documents and the Authority should guide PEs on its application.
3	Effective applications of electronic Government Procurement (eGP)	Regulatory authorities should focus on and enhance the use of electronic public procurement;
4	Implement, monitor and report the application of beneficial ownership information	In each tender, beneficial ownership should be declared to make the beneficiaries of the profits of the company known to the PEs for making informed decisions in awarding tenders.
5	Innovate contract management systems	There should be established an online mechanism for private sector to report on contract management and corruption incidents in public procurement. In addition, CSOs should be involved in monitoring public procurement contracts at grassroots level through an established online system.
6	Harmonize the application of the local content in the EAC Region	Each Regulatory Authority should promote the local content through public procurement for self-reliance.

Furthermore, the Authority participated in preparation of Joint Procurement Rules, Draft Bilateral Agreement, and Terms of Reference for Detailed Feasibility Study for the development of a natural gas export project between the Governments of Tanzania and Kenya.

b) Benchmarking Visits to the Authority

The Authority continued to provide an avenue for benchmarking to other Procurement Authorities in East Africa and beyond. During the year under review, six (6) delegates from the Public Procurement Regulatory Authority (PPRA) of Botswana visited Tanzania from 13th to 16th March, 2023. The visit aimed at getting experience on regulatory functions and operations of their newly established procurement regulatory authority. The visit also enabled the PPRA to gain experience on issues related to development and operation of e-procurement systems.

Furthermore, 11 members of Uganda Parliamentary Committee of Finance, Planning and Economic Development, visited the Authority on 27th October, 2022. The delegations were mainly interested in the experience sharing on local content related matters.



Board Chairperson of PPRA Botswana, Mr. Gerald Thipe (third right), PPRA Botswana Acting Chief Executive Office , Ms. Tumelo Motsumi, and PPRA Director of Information Systems, Mr. Michael Moshiro, with staff from the two bodies, after a presentation about NeST, in Iringa



Uganda Parliamentary Committee for Planning and Economic Development and PPRA Board of Directors and Management in a group photo on 27th October, 2022 in Dodoma, when the Ugandans visited the latter to learn how to utilize local content in national economy through public procurement



PPAA Executive Secretary, James Sando (Second left), PPRA Director of Corporate Services, CPA Suzana Chaula (fourth – right) in a group photo with Delegates from Botswana’s Public Procurement Tribunal during a benchmark visit at PPRA Tanzania, on 10th March, 2023 in Dodoma

2.2.6 Development of National e-Procurement System of Tanzania – NeST

a) Background

The PPA grants the Authority mandate to determine, develop, introduce, maintain and update the electronic Public Procurement System. In carrying out the directives of the law, the e-procurement system known as TANePS was established and became operational from January 2020. Despite the system being in use, it has not been able to function as intended. Many complaints have been submitted by users, including frequent technical anomalies and the inability to meet the Government’s needs and stakeholder expectations.

To address these challenges, the Government through the Ministry of Finance, directed PPRA to initiate efforts to develop a new e-procurement system that meets the Government and users’ needs.



PPRA Chief Executive Officer Mr. Eliakim Maswi (left), e-Government Authority’s Director General, Eng. Benedict Ndomba and PPRA Director of Information System, Mr. Michael Moshiro at the NeST taskforce camp in Iringa

b) Development process of NeST

The PPRA reviewed the public procurement procedure flow through Business Process Re-Engineering process (BPR). This task was completed in June 2022, and the report was presented to stakeholders on 6th July 2022, who approved the work to proceed in accordance with the recommendations outlined in the report.

The development of NeST commenced on 18th July 2022, by involving Government Experts from various Institutions, with different expertise in the area of Procurement, Legal, IT Systems Analysts and System Developers. Upon completion, the system is expected to increase accountability and integrity in procurement procedures and practices, therefore, enhancing efficiency, effectiveness, transparency, fairness and competition in public procurement. Further, the development of NeST has recognised the presence of various stakeholders in public procurement, with a total of 182 employees from 43 entities participated in the preparation of system requirements and user acceptance testing. The selection and involvement of stakeholders were based on the complexity and nature of procurement activities.

c) e-Procurement Modules

The modules for NeST include e-Registration, e-Tendering, e-Contract, e-Catalogue, e-Auction, and e-Payment. During the year under review, development of two modules namely e-Registration and e-Tendering were completed and ready for use.

d) e-Procurement System Development Road Map

The full development of NeST is planned to be completed in the FY 2027/2028, as indicated in the figure 1.

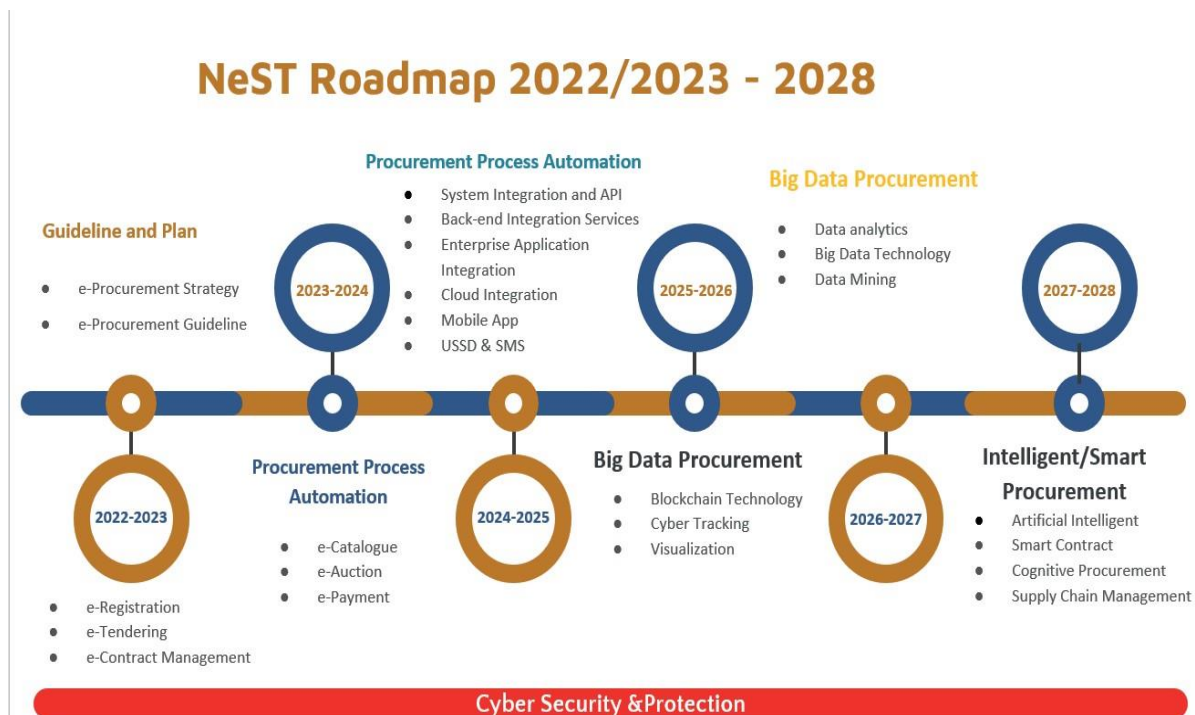


Figure 2 - 1: e-Procurement System Development Road Map

e) NeST Features

NeST has been developed and equipped with numerous features to align with the needs of public institutions, tenderers and the Authority, in line with current technological changes. The features of the system are as specified in the figure 2.

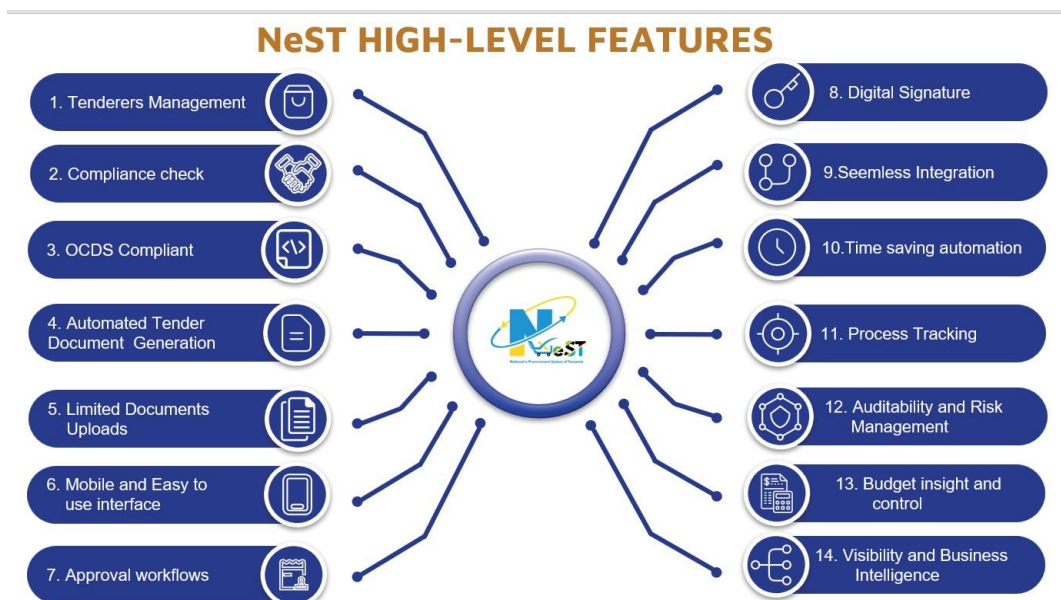


Figure 2 - 2: NeST Features

f) Integration with other Systems

During the year under review, NeST has been integrated with 16 Government institutions' systems for the purpose of exchanging and verification of information as indicated in the Figure 3



Figure 2 - 3: Integration with other Systems

g) Capacity Building on NeST

During the year under review, the Authority conducted various training sessions on the use of NeST. In these sessions, 1,510 staff from 309 PEs and 532 Tenderers were trained on the use of system, and 85 staff from different public institutions were trained as Trainers of NeST.

2.2.7 Human Capital

The Authority acknowledges that human resources are essential needs that require to be continuously improved in order to enhance the level of service delivery and fulfilment of the Authority's functions as stipulated in the PPA. In order for the Authority to exercise its mandate, the following were done as detailed in subsequent subsections.

a) Establishment

The approved staff establishment of the Authority is 171. During the year under review, the Authority made efforts to reduce staff shortage in which 28 staff were engaged through transfers, secondments and new hire. The efforts led to the increase in the number of staff to 115 compared to 87 staff in the preceding year as shown in Table 2- 5.

Table 2 - 5: Staff complement

S/N.	Staff Category	Number of Staff		Total
		Male	Female	
1.	Managerial Staff	11	8	19
2.	Technical Staff	55	22	77
3.	Support Staff	8	11	19
Total		74	41	115

b) Staff Development

The Authority has identified human resources development as one of its priority areas for investment. The Authority continued to equip its staff with relevant regulatory, managerial, soft skills, and operational competencies to enhance its service delivery to the public. During the year under review, 91 employees attended seminars and workshops organized by professional bodies, inductions and short-term training; and 9 staff attended long-term training. Details of the training are presented in Table 2- 6.

Table 2 - 6: Training attended by staff in 2022/2023

S/N	Description of training	Number of staff		
		Female	Male	Total
1.	Long term training	2	7	9
2.	Short term training, Inductions, Professional seminars and workshops	54	37	91

Moreover, customer satisfaction is mostly anchored on people and hence employees continue to be the most important assets. Their enthusiasm, hardworking and commitments has ensured the Authority performance during the year. The Authority has skilled, motivated, and experienced employees who are considered as key resources in implementation of Authority’s Strategic objectives.

c) Staff Engagement

The Authority conducted two workers’ council meetings and facilitated participation of staff in International Women’s Day and Workers Day. Similarly, it continued to support Tanzania Union of Government and Health Employees (TUGHE) activities at the work place. During the year under review, a total of six-monthly staff meetings were held.



Deputy Minister for Finance and Planning Hamad Chande (center), PPRA Board Chairperson, Dr. Leonada Mwagike (second left) and PPRA Chief Executive Office Eliakim Maswi (second right), with leaders and members of PPRA Workers Council, after the official opening of the PP A Workers Council meeting, recently in Dodoma.

CHAPTER THREE

PERFORMANCE OF PROCURING ENTITIES

The Authority is mandated under Section 8 (c), 9(1) (g & i) of the PPA Cap 410: to monitor compliance of procuring entities; institute procurement audits during the tender preparatory processes; contract audits in the course of execution of awarded contracts; and performance audits after the completion of the contract in respect of any procurement. This Chapter contains information on monitoring the performance of PEs and audits conducted in the FY 2022/23.

3.1 Monitoring of Procurement Activities

By virtue of Regulation 87 of GN. 446 of 2013, PPRA is mandated to ensure continuous monitoring of procurement activities and contract implementation by PEs. Routine monitoring enables enforcement of compliance of PPA Cap 410, its Regulations and guidelines issued from time to time by Authority in line with the requirements of Section 106 of PPA Cap 410.

Monitoring of procurement activities and contract implementation by PPRA is done through review of various procurement information and periodic reports including APPs, tender notices, procurement implementation reports, contract awards and contract completion reports. Monitoring is also conducted on procurement activities implemented within and outside TANEPS.

3.1.1 Usage of TANEPS by PEs

During the reporting year, a total of 864 PEs were registered in the TANEPS. According to the requirements of Section 63 of PPA, CAP 410, Regulation 342 of PPR, 2013 and Government Directive No. 4 of 2019, all PEs required to conduct their procurement functions within TANEPS.

Analysis conducted by the Authority on the usage of TANEPS has indicated that out of 864 registered PEs, 732 PEs were active while 132 PEs were not active in using the system. Inactive PEs include 65 entities which have centralized their procurement activities to their Headquarters; 2 PEs were dissolved; 7 PEs are under establishment and 58 PEs that did not submit APPs. Comparison of the number of PEs registered in the TANEPS during the financial year 2021/22 and 2022/23 indicates an increase of 61 PEs from 803 to 864 respectively.

3.1.2 Assessment on APPs submitted for FY 2022/2023

A total of 732 PEs out of 864 registered PEs submitted their APPs through TANEPS. This is equivalent to 84.7 percent of the registered entities and 92.7 percent of active entities. In the FY 2022/23 there was an increase of 65 PEs that submitted APPs compared to 667 PEs submitted APPs in preceding year.

Comparative analysis of the values of APPs submitted during the FY 2021/22 and 2022/23 shows that the planned values were TZS 32.1 trillion and TZS 23.84 trillion respectively. The decrease in the total amount of fund to be committed is associated with initiatives taken by the Authority in reviewing the submitted APPs and ensuring the estimated cost of the planned procurement is realistic and reflects the existing market price. Table 3-1 shows the comparative analysis of the number of APPs, Values of APPs and number of PEs for the FY 2021/22 and FY 2022/23.

Table 3 - 1: Comparative Analysis of APP

Description	Financial Year	
	2022/23	2021/22
Number of APP submitted	732	667
Value of APP (TZS)	23.84 trillion	32.1 trillion
Number of the registered Entities	864	803

3.1.3 APPs by Procurement Category

The analysis of submitted APPs based on procurement category included Works, Goods, Consultancy Services, Non-Consultancy Services and Disposal of Public Assets by tender with a total estimated value of TZS. 23.84 trillion, is shown in Table 3 - 2.

Table 3 - 2: APPs by procurement category

S/N	Planned Procurement for FY 2022/23			
	Procurement Category	Number of tenders	Estimated Value (TZS)	Percentage by value (%)
1	Goods	20,925	7,305,967,182,055.85	30
2	Works	11,720	14,016,691,184,346.30	58.8
3	Consultancy Services	1,470	999,710,373,531.96	4.2
4	Non-Consultancy Services	9,594	1,277,756,059,261.20	5
5	Disposal of Public Assets	31	236,799,335,000.00	1
	Total	43,740	23,836,924,134,195.30	100

Further analysis of submitted APPs based on categories indicates that during the FY 2022/23, 732 PEs planned 43,740 tenders with estimated amount of TZS. 23.84 trillion compared to 667 PEs in FY 2021/22, which planned 62,161 tenders with an estimated amount TZS. 32.1 trillion.

3.1.4 Analysis of submitted APPs by PEs category

During the FY 2022/23, the analysis shows that 43,740 tenders with a total estimated amount of TZS 23.84 trillion were planned by MDAs, PAs and LGAs, as shown in Table 3- 3.

Table 3-3: Analysis of submitted APPs by PEs category

S/N	Category of PE	Number of tenders	Estimated value (TZS)	Percentage by value (%)
1	MDAs	20,241	13,923,029,532,265.00	58.4
2	PAs	11,171	8,197,316,071,302.30	34.4
3	LGAs	12,328	1,716,578,530,628.00	7.2
	Total	43,740	23,836,924,134,195.00	100

3.1.5 Analysis of submitted APPs with TZS 20 billion and above

Out of 732 PEs which submitted APPs, 155 PEs had estimated amount of TZS 20 billion and above, with a total estimated amount of TZS 20.34 trillion which accounts for 85.3 percent of the total value of APPs submitted, as analyzed in Table 3- 4.

Table 3 - 4: APPs with TZS 20 billion and above

S/N	Category of PE	Number of PEs	Estimated value (TZS)	Percentage by value (%)
1	MDAs	101	13,058,072,723,173.30	64.2
2	PAs	43	6,867,672,241,462.53	33.8
3	LGAs	11	413,400,569,251.25	2.0
	Total	155	20,339,145,533,887.10	100

3.1.6 PEs failed to submit APPs

The analysis conducted by the Authority indicated that 58 PEs out of 864 active PEs, did not submit their APPs for FY 2022/23 compared to 136 PEs in FY 2021/22. This positive trend is associated with a strengthened monitoring mechanism by the Authority in collaboration with immediate competent authorities.

3.1.7 Tenders processed and awarded in TANePS

In FY 2022/23, there were 46,996 tenders processed in TANePS for the procurement of Goods, Works, Consultancy Services, Non-Consultancy Services and Disposal of Public Assets by tender as described in Table 3- 5.

Table 3-5: Tenders processed in TANEPS by procurement category

S/N	Procurement category	Number of tenders
1	Goods	36,602
2	Works	4,500
3	Consultancy services	869
4	Non-consultancy services	5,018
5	Disposal of public Assets	7
Total		46,996

During FY 2022/23, the Authority reviewed 5,890 contracts awards published by 322 PEs through TANEPS. This information on awarded contracts represents 12.5 percent of all tenders processed through TANEPS. The number of awarded contracts published in TANEPS has decreased by 1,974 compared to 7,864 in FY 2021/22. Likewise, the number of PEs has decreased from 434 to 322. This decrease is attributed by the fact that most of PEs finalized their tender awards outside TANEPS.

3.1.8 Awarded contracts by procurement category

Based on the contract awards information published by 322 PEs through TANEPS, a substantial amount of funds was spent on contracts for goods and works, in contrast to the amount of funds spent on consultancy and non-consultancy services contracts, as shown in Table 3- 6.

Table 3 - 6: Volume of awarded contracts by procurement category

Procurement Category	Total No. of Contracts	Total Value (TZS)	Percentage by value	Percentage by Number (Contracts)
Goods	4,041	455,125,593,939.13	28.2	68.6
Works	991	889,707,012,060.14	55.3	16.8
Consultancy	111	162,618,120,305.98	10.1	1.9
Non-Consultancy	747	102,913,450,394.83	6.4	12.7
Total	5,890	1,610,363,176,700.01	100.0	100.0

Furthermore, the major five PEs with huge value of awarded contracts by procurement category are shown in the Table 3 – 7.

Table 3 - 7:List of PEs with huge value of awarded Contracts

Procurement Category	S/N.	Name of the PE	The Value of Awarded Contract (TZS in billion)
Goods	1	Tanzania Ports Authority	65.01
	2	Tanzania Revenue Authority	37.75
	3	National Housing Corporation	35.71
	4	Dar es Salaam Water Supply and Sanitation Authority	28.90
	5	Tanzania Electric Supply Company	22.20

Procurement Category	S/N.	Name of the PE	The Value of Awarded Contract (TZS in billion)
Works	1	Tanzania Rural and Urban Roads Agency - Iringa	70.25
	2	Rural Energy Agency	65.24
	3	Tanzania Rural and Urban Roads Agency - HQ	49.82
	4	Ardhi University	32.93
	5	Tanzania Electric Supply Company	31.50
Consultancy	1	Tanzania Revenue Authority	115.92
	2	Dar es Salaam Water Supply and Sanitation Authority	6.39
	3	Tanzania Rural and Urban Roads Agency - HQ	4.57
	4	Tanzania Ports Authority	4.25
	5	Ministry of Water	1.85
Non- Consultancy	1	Tanzania Electric Supply Company	28.33
	2	Air Tanzania Company Limited	26.10
	3	Bank of Tanzania	5.52
	4	Dar es Salaam Water Supply and Sanitation Authority	3.43
	5	Gas Company Tanzania Limited	3.34

3.1.9 Planned procurement against awarded contracts

During the FY 2022/23, an analysis of APPs from 732 PEs indicated the planned procurement amounted to TZS 23.84 trillion. However, as of the end of FY 2022/23, it was revealed that only TZS 1.61 trillion, equivalent to 6.75 percent of the planned procurements, had been committed to awarded contracts by 322 PEs, as shown in Table 3- 8.

Table 3 - 8: Comparison of APPs against contracts awarded by procurement category

S/N	Category	APP		Awarded contracts	
		Number of tenders	Estimated Value (TZS)	Number of tenders	Value of awarded contracts (TZS)
1	Goods	20,925	7,305,967,182,055.85	4,041	455,125,593,939.13
2	Works	11,720	14,016,691,184,346.30	991	889,707,012,060.14
3	Consultancy	1,470	999,710,373,531.96	111	162,618,120,305.98
4	Non-Consultancy	9,594	1,277,756,059,261.20	747	102,913,450,394.83
5	Disposal of Public Assets	31	236,799,335,000.00	-	-
	Total	43,740	23,836,924,134,195.30	5,890	1,610,364,174,700.08

3.1.10 Volume of awarded contracts by PEs category

The analysis indicated that MDAs had the highest volume of awarded contracts amounting TZS 1.098 trillion, which is equivalent to 68.2 percent, followed by PAs with TZS 501.39 billion equivalent to 31.1 percent, and LGAs with TZS 11.34 billion accounting for 0.7 percent, as shown in Table 3- 9.

Table 3 - 9: Volume of awarded contracts by PEs category

TZS in billion

S/N	PE Category	Number of Tenders	Value (TZS)	Percentage (%) by Value
1	MDAs	2,755	1,097,636,503,073.68	68.2
2	PAs	2,522	501,387,445,338.29	31.1
3	LGAs	613	11,340,228,288.11	0.7
	Total	5,890	1,610,364,176,700.08	100

Further analysis on the volume of awarded contracts by PEs categories and procurement categories indicated that a significant amount was spent on procurements of works and goods by MDAs, as shown in Table 3 – 10.

Table 3 - 10: Distribution of volume of awarded contracts by PEs and procurement categories

TZS in billion

Category	FINANCIAL YEAR 2022/23				Total
	Goods	Works	CS	NCS	
MDAs	266.33	660.54	151.17	19.59	1,097.64
PAs	182.54	226.10	11.28	81.47	501.39
LGAs	6.25	3.06	0.174	1.85	11.34
Total	455.12	889.7	162.62	102.91	1,610.36

i) Volume of Contracts by MDAs

The analysis shows that MDAs awarded 2,755 contracts worth TZS. 1,097.64 billion. The largest volume of procurement was for works, followed by goods, consultancy services and non-consultancy services respectively in that order of their percentages, as shown in the figure 3 -1.

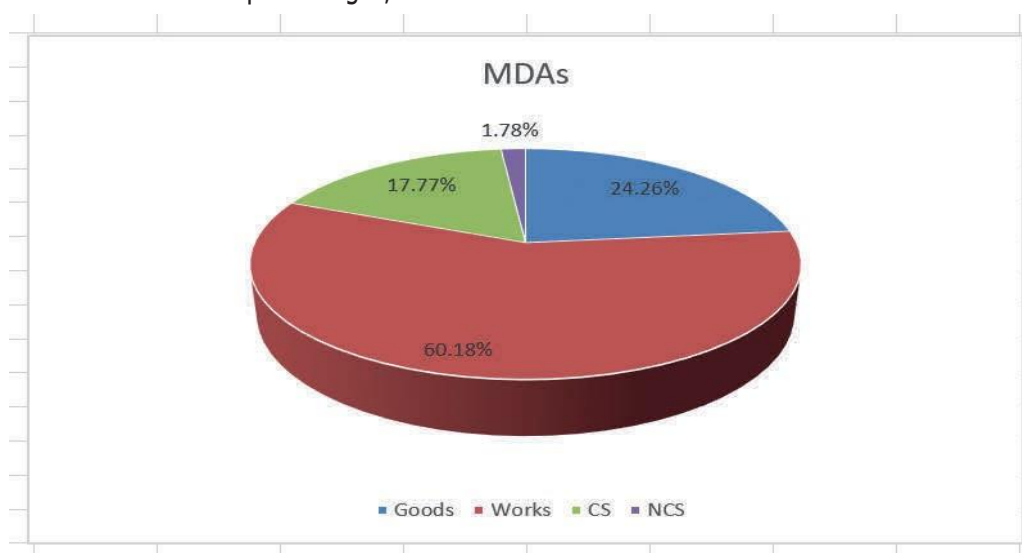


Figure 3 - 1: Volume of Contracts awarded by MDAs in percentage

i) Volume of Contracts Awarded by PAs

The analysis shows that PAs awarded 2,522 contracts worth TZS. 501.39 billion. The largest volume of procurement was for works, followed by goods, non-consultancy services and consultancy services respectively in that order of their percentages, as shown in the figure 3 -2.

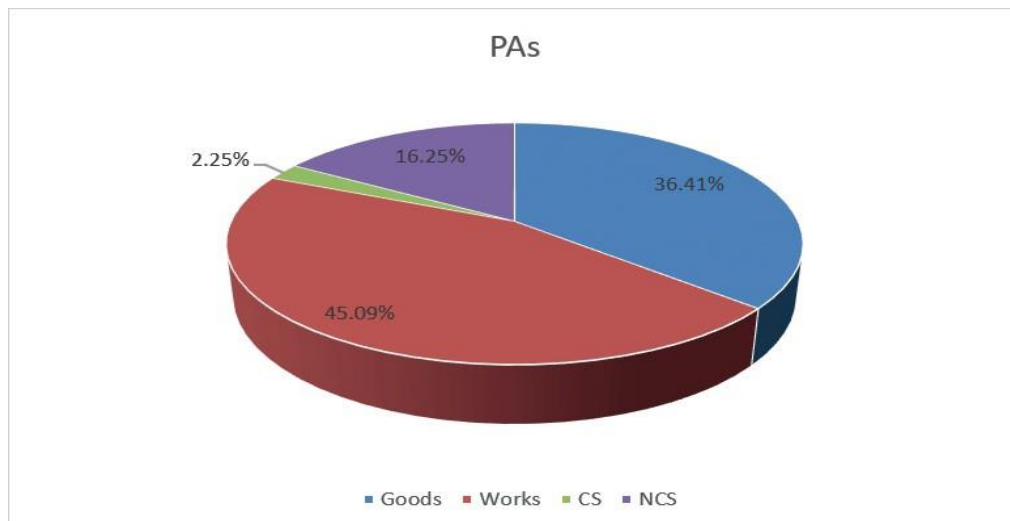


Figure 3 - 2: Volume of Contracts awarded by PAs in percentage

ii) Volume of Contracts Awarded by LGAs

The analysis shows that LGAs awarded 613 contracts worth TZS. 11.34 billion. The largest volume of procurement was for goods, followed by works, non-consultancy services and consultancy services respectively in that order of their percentages, as shown in the figure 3 -3.

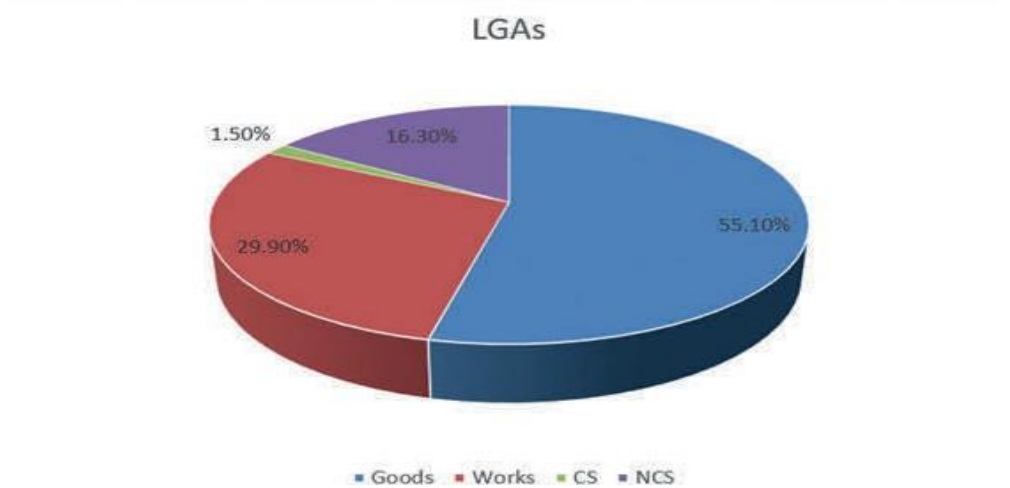


Figure 3 - 3: Volume of Contracts awarded by LGAs in percentage 3.1.11

Volume of awarded contracts of TZS 20 billion and above by PEs

The analysis on volume of awarded contracts shows that 17 PEs had annual volume expenditure of TZS 20 billion and above. This number of entities is equivalent to 10.97 percent of the 155 PEs that submitted planned procurement of above TZS 20 billion. The total volume of procurement for these 17 PEs was TZS 239.27 billion, which is 10 percent of the total value of TZS 20.34 trillion planned by 155 PEs, as listed in Table 3 – 11.

Table 3 - 11: List of PEs with awarded Contracts of TZS 20 billion and above

S/N	Name of the Entity	The value of contracts awarded (TZS. Billion)	% of the value of awarded contracts
1	Tanzania Revenue Authority	158,918,586,884.43	66.4
2	Tanzania Ports Authority	93,305,693,830.33	39.0
3	Rural Energy Agency	91,151,857,071.10	38.1
4	Tanzania Electric Supply Company	82,034,478,840.47	34.3

S/N	Name of the Entity	The value of contracts awarded (TZS. Billion)	% of the value of awarded contracts
5	Tanzania Rural and Urban Roads Agency - Iringa	70,249,690,178.32	29.4
6	National Housing Corporation	62,518,719,578.79	26.1
7	Tanzania Rural and Urban Roads Agency - HQ	60,829,427,142.38	25.4
8	Dar es Salaam Water Supply and Sanitation Authority	48,836,190,721.16	20.4
9	Air Tanzania Company Limited	34,300,665,628.22	14.3
10	Tanzania Petroleum Development Corporation	34,025,739,197.80	14.2
11	Ardhi University	33,322,200,938.62	13.9
12	Tanzania Rural and Urban Roads Agency - Dar Es Salaam	25,969,050,991.14	10.9
13	Tanzania Rural and Urban Road Agency - Coast Region	23,862,469,711.48	10.0
14	Dar es Salaam Institute of Technology	23,704,753,047.63	9.9
15	Rural Water Supply and Sanitation and Agency - Pwani	21,802,311,528.49	9.1
16	Tanzania National Roads Agency - Dar es salaam	21,410,823,573.07	8.9
17	Office of the reasury Registrar	20,870,826,355.27	8.7
TOTAL		239,268,840,971.72	

3.1.12 Awarded contracts on Single Source and Restricted Tendering

PEs are required to use the restricted or single source method in accordance with provision of Regulations 152 and 161 of GN. 446 of 2013 as amended. The analysis indicated that, 412 out of 5,890 of all awarded contracts which account for seven (7) percent awarded through Single Source method, and 532 contracts which account for nine (9) percent of all awarded contracts were awarded through restricted tendering.

3.1.13 Compliance of PEs on Submission of Internal Audit Reports

Pursuant to Section 48 (2) of PPA CAP 410, the Head of Internal Audit Unit of each PE is required to include compliance with Public Procurement Act and its Regulations on his/her quarterly reports. The Act requires Accounting Officer o submit the report within 14 days after receiving the report from the Head of Internal Audit Unit. Nonetheless, PEs have been provided with room to submit their quarterly reports through GARI-ITS. Table 3-12 provides an analysis of submitted quarterly reports on the FY under review:

Table 3 - 12: Analysis of submitted Quarterly Reports

Quarter	Number of Reports submitted
Q1	192
Q2	148
Q3	109
Q4	27
TOTAL	476

During the financial year 2022/23, a total of 476 out of 1,000 quarterly audits reports were received from 250 entities. The total number of PEs that submitted internal audit reports has increased from 124 to 250 PEs during the review period, which signifies the improvement of 98.4 percent compared to the financial year 2021/2022. Likewise, the number of reports has increased from 215 to 476. The increase has been attributed to GARI-ITS, which has enabled PEs to submit their quarterly reports.

The following weaknesses were observed based on the compliance indicators below:-

a) Institutional Set up and Performance

The reviewed reports identify several weaknesses in the institutional setup and performance indicator. These weaknesses include: lack of training on procurement matters to Tender Board members, PMU, Legal office unit and Internal audit Unit; delays in notifying the Authority on the newly appointed Tender Board members; PMU and IA not staffed to the appropriate level; inadequate discharge of functions by the Tender Board interference of functions of PMU by the User Departments in some of the procurements which were carried out; and failure by PMU to effectively discharge their functions including submission of periodic reports to the Authority.

b) Preparation and implementation of the Annual Procurement Plan

The preparation and implementation of the APP, observed the following weaknesses; Entities carried out procurements that were not included in the APP; Failure of entities to allocate 30% of their annual procurement volume to special groups.

c) Tender process and contract signing

The indicators for the management of the tender process and contract signing have raised several anomalies including: the use of inappropriate procurement methods which resulted in procurement beyond the set out threshold; non-use of the standard tender documents prepared by the Authority; the tender evaluation exercise did not consider the criteria which were explicitly stated in the bidding document; inappropriate preparation of tender documents; the award of contracts were made to non-responsive bids; vetting was not done to the draft contracts prior to the signing of contracts; the Accounting Officers did not appoint tender Evaluation Committees in some of the implemented tenders and Tender Board approved the award of contracts after the expiry of the tender validity period.

d) Contract management

Most of the submitted reports addressed a number of deficiencies at the stage of contract management, which include: some services were rendered before the signing of contracts; some contracts were not adequately managed; performance securities for some contracts expired before the accomplishment of contractual obligations; some suppliers and contractors delayed in supplying goods and completing works within the time stipulated in their contracts but were not charged with liquidated damages; delivered goods were not inspected after being delivered; payments were not made timely; and some contractors, suppliers and service providers executed contracts before fulfilling the requirement for the submission of performance security; and contract variations were paid without tender board approval.

e) Management of procurement records

The submitted reports pointed out weaknesses on the proper keeping of procurement and contract management records.

f) Specific key issues observed by Internal Auditors

Some of the specific issues observed by Internal Auditors during the audit were as follows:

- (1) RAS Katavi paid TZS 143,763,400.00 for a new Motor vehicle (Toyota Land Cruiser Single Cabin), which has not been delivered despite the lapse of the delivery period specified ;
- (2) Goods and services procured by Kakonko District Council in the second quarter worth TZS 35,769,294.56 were not approved by the Tender Board;
- (3) Violation of procurement procedures by Newala DC for goods and services worth TZS 539,715,693.24; and
- (4) Procurements worth TZS 103,974,618 made by Songea MC without prior approval of Council's Tender Board.

3.2 Compliance of PEs through Audits

During the financial year 2022/23, the Authority conducted audits which covered a total of 180 procuring entities, including those from Ministries, Departments, and Agencies (MDAs), Local Government Authorities (LGAs), Regional Secretariats (RS), and Public Authorities (PAs).

3.2.1 The overall compliance level of audited PEs in TANePS

Based on the compliance indicators assessed on tenders implemented through TANePS the results of the overall compliance of 91 audited PEs was assessed to be 65.13 percent. This is slightly higher than compliance level for FY 2021/2022 which was 65.10 percent. The trend of the overall compliance score of audited entities over the past five consecutive financial years is illustrated in Figure 3-4.

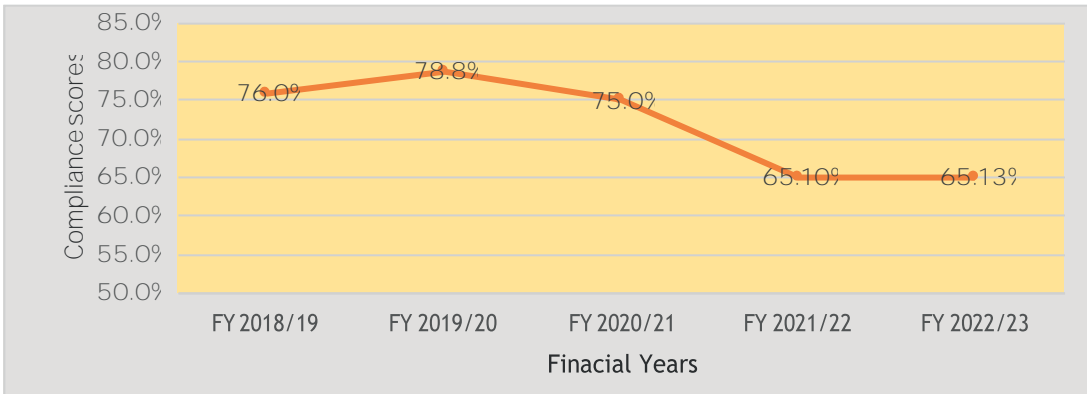


Figure 3 - 4: Compliance score of audited entities over the past five (05) consecutive financial years.

3.2.2 The overall Value for Money Compliance Level

Based on performance indicators in the physical audits, the overall performance outcome for 89 audited entities were assessed to be 66.67 percent. This represents a decrease of 16.93 percent in performance compared to the financial year 2021/22. The overall performance score of audited entities has experienced fluctuations over the past five consecutive financial years as demonstrated in figure 3- 5. Notably, there was a significant decrease in performance in the year under review (2022/23) compared to the previous financial year, indicating a need for further improvement. The trend in the overall performance score of audited entities over the past five consecutive financial years is shown in Figure 3-5.

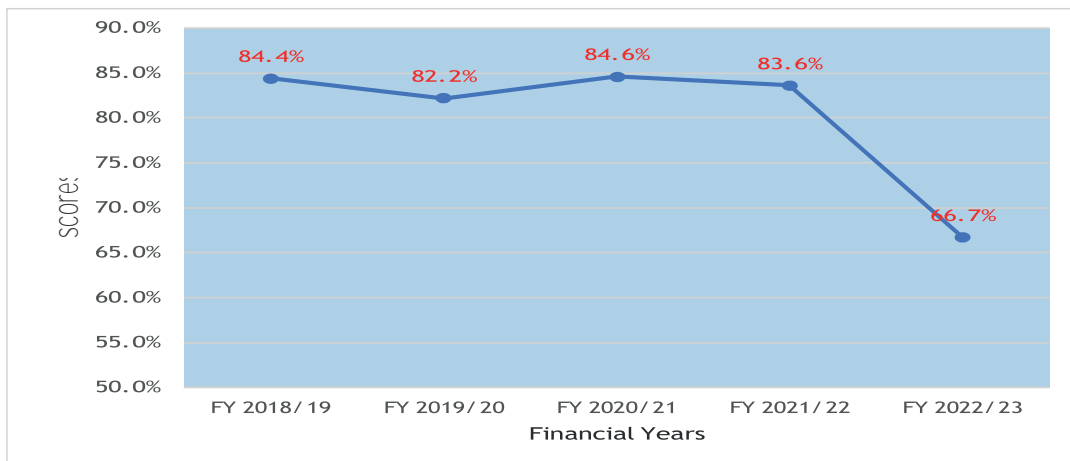


Figure 3 - 5: Performance score of audited entities over the past Five (5) consecutive financial years

3.3 Annual Audit Report for RS and LGAs

During the financial year 2022/2023, the Authority conducted audits to eight (8) RS, 54 LGAs and 13 TARURA as affiliated entity. The following part shows the outcomes of the audits conducted to 75 entities under this category.

3.3.1 Audit Opinions

Analysis of the audit results revealed that, 28 entities equivalent to 37.3 percent of all audited entities had poor compliance levels with scores below 60 percent, 40 entities equivalent to 53.3 percent of all audited entities had fair compliance levels ranging between 60 and 79 percent, and seven (7) entities equivalent to 9.3 percent of all audited entities had satisfactory compliance levels with scores of 80 percent and above.

Table 3 - 13: Compliance score based on the audit opinion

S/N	Compliance indicator	Number of PEs	Percentage (%)
1	Satisfactory	07	9.3
2	Fair	40	53.3
3	Poor	28	37.3
Total		75	100

3.3.2 Overall Compliance

Analysis of the compliance results revealed that, 28 entities equivalent to 37.3 percent of all audited entities had poor compliance levels with scores below 60 percent, 40 entities equivalent to 53.3 percent of all audited entities had fair compliance levels ranging between 60 and 79 percent, and seven (7) entities equivalent to 9.3 percent of all audited entities had satisfactory compliance levels with scores of 80 percent.

3.3.3 Implementation of Previous Audit Recommendations

The result of the assessment indicated that out of 269 issued recommendations; 96 recommendations 35.7% were implemented, 88 recommendations which is equivalent to 32.7% were partially implemented and 85 recommendations equivalent to 31.6% were not implemented. Failure to implement recommendations made by Authority results in the recurrence of similar observations which ultimately contribute to inadequate and ineffective operational performance.

Table 3 - 14: Status of Implementation of previous audit recommendations

S/N	PE Name	Recommendation provided	Implementation Status		
			Implemented	Partially Implemented	Not Implemented
1	Dar es Salam City Council	19	9	2	8
2	TARURA Kagera	9	2	1	6
3	TARURA Mbeya	9	7	2	0
4	TARURA Ruvuma	6	1	4	1
5	TARURA Tabora	12	5	2	5
6	Arusha City Council	8	3	4	1
7	Mbeya City Council	20	6	6	8
8	TARURA Pwani	5	3	1	1
9	TARURA Dar es Salaam	22	22	0	0
10	Dodoma City Council	35	15	18	2
11	Kondoa Town Council	35	5	15	15
12	Kibaha District Council	6	0	0	6
13	Ilemela Municipal Council	12	1	8	3

S/N	PE Name	Recommendation provided	Implementation Status		
			Implemented	Partially Implemented	Not Implemented
14	Kilosa District Council	6	0	6	0
15	Moshi Municipal Council	36	16	11	9
16	Mvomero District Council	5	1	2	2
17	Mwanza City Council	3	0	3	0
18	Lindi Municipal Council	18	0	0	18
19	TARURA Morogoro	3	0	3	0
Total		269	96	88	85
Percentage		100%	35.7%	32.7%	31.6%

3.3.4 Procurement and Contract Audit Coverage

The value for money audit involved 860 sampled tenders worth TZS. 432.16 billion, whereby 377 tenders worth TZS. 131.67 billion were audited through e-procurement system monitoring, and 483 tenders worth TZS. 300.42 billion were audited through procurement audit at the respective PEs. Moreover, the sample comprised of 670 tenders worth TZS. 340.37 billion for LGAs, 56 tenders worth TZS. 10.66 billion for RS and 134 tenders worth TZS. 81.06 billion for TARURA.

Table 3 - 15: Audited tenders/contracts by PE Category

PEs Category	e-procurement system Audit		Procurement Audit		Total	
	Number	Value (TZS)	Number	Value (TZS)	Number	Value TZS
LGAs	239	86,660,380,577.16	431	253,709,558,154	670	340,369,938,731.14
RAS	56	10,658,283,403.75	-	-	56	10,658,283,403.75
TARURA	82	34,349,627,332	52	6,711,610,776.69	134	81,061,238,108.50
Total	377	131,668,291,313	483	300,421,168,931	860	432,089,460,243

3.3.5 Comparison of Compliance Level for 4 Consecutive Years

The analysis of the overall compliance results of audited entities over the past four consecutive years indicates a significant decrease from the financial year 2019/20 to 2020/21 as scores were 80.6 and 69.2 percent respectively. During the year 2021/22, the overall compliance score dropped to 53 percent. The fall was associated with the change of audit modality where the compliance was only measured using TANEps. There has been a slight increase in the compliance score for the year under review (2022/23) compared to the previous financial year. The trend of the overall compliance score of audited entities over the past four consecutive financial years is illustrated in Figure 3 - 6.

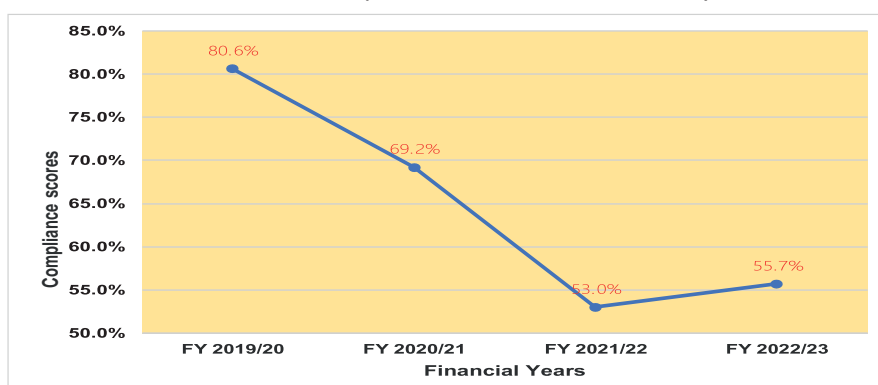


Figure 3 - 6: Compliance score of audited entities over the past 4 consecutive financial year

3.3.6 Audit Findings

During the financial year 2022/2023, a total of 35 major issues were observed in 20 out of 8 audited RS, 13 TARURA and 54 LGAs. The list of RS, TARURA and LGAs and their detailed number of associated issues are in Table 3 -15.

Table 3 - 16:PEs and the number of associated major issues

PE NAME	MAJOR ISSUES
Arusha City Council	<p>Payment made of TZS 117,557,880 for non-provided service</p> <p>The documents review during the audit revealed that, the consultant, M/s Sansutwa Simtali was paid a total of TZS 117,557,880 under contract No. LGA/003/2022-2023/C/02 worth TZS 195,929,800.00 for preparation of inception report (15% of contract sum) and Design and Tender Document Service Report (30% of a total contract sum). The consultant was not entitled for that made payment due to the fact that, the procurement of the supervising consultant was delayed and the supervision contract commenced when the contract for construction of works was already lapsed for seven (7) months. The consultant contract commenced on 30.09.2022 while construction contract commenced on 15.02.2022 and the original completion date was on 18.10.2022. The paid amount for non-provided service should be recovered from consultants upcoming due payment.</p> <p>Failure to implement awarded contracts worth TZS 242.30</p> <p>The Service Provider was awarded and signed eight (8) contracts with contract number. LGA/003/2022 - 2023/NC/09 Lot 10, 11, 12, 14, 15, 17, 20 and 21. It was noted that, all eight (8) contracts worth TZS. 242,304,000 were not implemented as at 30th June, 2023.</p>
Kibaha Town Council	<p>Delays in completion of construction projects worth TZS. 17,662,988,311.00 due to inadequate contract management.</p> <p>During the audit review and site visit, it was revealed that Contract No. LGA/011/2022-23/W/49 estimated to worth TZS. 4,000,000,000.00 for construction of office building lapsed about 12 years without being completed.</p> <p>Furthermore, during audit of contract No. LGA011/2022-23/W/51 worth for construction of Kibaha Modern Market at CBD Area, the contract was awarded to Elerai Construction Company Ltd with a duration of 10 months from 1st March, 2019 to 30th December, 2019, but as of 22nd August 2023, almost 4 years, the project was not completed.</p>
Tunduma Town Council	<p>Failure to impose liquidated damage amounting to TZS 44.22 million.</p> <p>Audit observed failure to impose liquidated damage amounting TZS. 44,216,895.42 being 0.1% of contract amount per day for contract No. LGA/167/TTC/2022/2023/HQ/W/03 for proposed completion of Administration Block phase III awarded to M/s. United Brilliant solution on 18th May, 2023. It was further noted that contract duration was 60 days that ended on 15th July, 2023 however by 23rd august, 2023 no extension was provided while 38 days has elapsed. Ineffective contract management may impede attainment of intended goals.</p> <p>Payment made TZS. 57.17 million for undelivered goods</p> <p>Audit revealed payment made for undelivered materials for construction of Dkt. Samia S.H Girl's High School. It was observed that LPO No. 00902030P02300273 worth TZS. 172,956,500 dated 28th May, 2023 was issued to supplier Erick Chaula for supply of building materials and payment of TZS 172,956,500 was effected via PV 00902030V2302324 dated 2nd June, 2023. During site visit conducted on 22nd August, 2023 it was found that 1073 bags of cement and 134 PCs of louvers were not received which is equivalent to TZS 18,696,400.00 on 18th June 2022 vide PV 00902030V2202579.</p> <p>On the other hand, payment worth TZS. 38,477,794 was made to service provider Freshvale Tanzania LTD for supply and installation of revenue collection system at car parking vide LPO 00902030P02200483 dated 16th June 2022 for tender number LGA/167/TTC/2018/2019/W/02 for Construction of Car parking but the system was supplied.</p>
Dodoma City Council	<p>Non submission of performance security worth TZS. 329.81</p> <p>The authority noted that Contract No. LGA/020/2022-2023/G/49/3 Worth TZS 329,810,000 for Supply of two road sweeper trucks (Dry and Wet Vacuum Road Sweeper) 15 Tons required submission of supplier's unconditional guarantee 15 days after contract signing. However, it marked 55 days post-signed on the date of audit without the submission contrary to the requirement of Regulation 29 (3) of PPR, 2013. Failure to submit performance security implies that PE is exposed to a risk of financial loss once the contractor fails to perform the obligation.</p>

PE NAME	MAJOR ISSUES
Kondoa Town Council	<p>Unsatisfactory quality of finishing for building construction projects Worth TZS 375,200,000 During site inspection of Construction of 5 Classrooms, 2 Dormitories, and 6 Toilet Blocks at Kondoa Girls Secondary School worth TZS 375,200,000.00 It was observed unsatisfactory finishing of works resulted from inadequate supervision which may lead to failure to realize intended objectives of the projects as explained in the Table below.</p> <p>Payment of TZS 6,349,707.98 for un-received goods Through the review for LPO No. 00722043PO2300288 worth TZS 14,014,600.84 for supply of building materials for construction of Director's House awarded to FMJ HARDWARE LTD, it was observed payment more than what was received as the delivery Note No. 21409 shows list of 26 delivered items worth TZS 7,384,600.84 and Tax invoice No.TIV-063566 reflected the same but Payment voucher No. 00722043V2302504 effected payment of TZS 13,734,308.82 which implies payment for all goods inclusive of un-received (i.e. 3 AC LG 18000 BTU, 3 AC BRACKET LG & 3 AC PIPE LG worth TZS 6,349,707.98)</p>
Kibaha District Council	<p>Un-justified restricted tendering method for contracts worth TZS 8.46 billion The review revealed that four (4) sampled tenders were floated using restricted tendering method without proper justification. improper procurement method hinders competition and fairness in procurement.</p>
Ilemela Municipal Council	<p>Delayed completion of Supply and Installation for tender worth TZS 40,408,510 During site visit of the auditors to the Ilemela Municipal Hospital on 14th August, 2023, it was observed that tender no. LGA/159/2022-2023/G/34 for Supply and installation of High-Tech Incinerator at Ilemela District Hospital was not fully supplied and installed at the Hospital. This finding based on the fact that the contract was signed on 18th May, 2023 and was supposed to be completed on 30th June, 2023, hence the project was delayed by 45 days by the visit date. Failure to complete a project in time denies the beneficiaries of the incinerator to use the facility.</p>
Kilosa District Council	<p>Failure to use TANEPS for contract worth 11.93 billion The Authority noted that PE did not utilize TANEPS in procurements during the FY 2022/23. Failure to use TANEPS the anomaly impairs transparency and fairness in procurement.</p>
Muheza District Council	<p>Uncollected revenue worth TZS. 545.68 million During review of various sources of revenue, it was noted that on 1st August, 2022 the PE entered into contract No. LGA/132/2022/2023/NC/39 with M/s. Rick Plan Co. Ltd Agency for provision of Revenue Collection services for Cereals, Fruits at agreed total annual revenue of TZS. 1.32. Million. Nevertheless, the Agency collected TZS.774.32 million out of the agreed revenue amount by the end of the contract. Uncollected revenue hinders development plans of the entity.</p>
Mwanza City Council	<p>Un collected revenue worth TZS. 663. 3 million Upon audit it was revealed that Mwanza CC entered into a contract with M/S. Web Technologies Tanzania Ltd for tender no. LGA089/2022-2023/NC/04 as an agent of revenue collection and parking fees. However, evidence of four months revenue collection indicates that, the service provider collected a total of TZS 373.35 million compared to TZS 663.00 million indicated in the contract. Failure in revenue collection leads to loss to the PE hence unattained development goals.</p>
Sengerema District Council	<p>Submission of less value advance payment guarantee by TZS 167.90 million The review of contract the contractor (SUMAJKT) was paid advance payment of TZS 839.51million which is equivalent to 25% and submitted insurance bond No. BIC/TNG/597049/23/PB from M/s BUMACO Insurance Co. Ltd with a value of TZS 503.70 equivalent to 15% while the lesser amount uncovered was TZS 167.90 million equivalent to 10%. The involved was contract No. LGA/094/2022-2023/W/1 worth TZS 3.36 billion for Construction of Sengerema District Council Office Building. Devalued advance payment guarantee may lead to financial loss in case of under performance of the contractor.</p> <p>Payment worth TZS. 35.55 million to undelivered goods The audit revealed the payment to M/s City Motors was paid in full on 30th June, 2023 for supply of Yamaha Motorcycles for the Health Department prior delivery of goods. Notwithstanding, the goods were to delivered by the date of the audit. Payment of undelivered goods lead to loss of public funds.</p>
Tanga City Council	<p>Idle installed elevator worth TZS. 204.65 The review of sampled contracts revealed that Installed Elevator was not commissioned as of 17th August, 2023 where the delivery period was 17 weeks after signing of the contract on 10th June, 2020 where the City Director and M/s. S.E.C (East African) Company Limited entered into Contract No. LGA/128/2019-2020/HQ/G/25 for Supply, Installation, Testing and Commissioning of Passenger Elevator/Lift for the Proposed New Office Bloc Extension at an Existing Tanga City Council Head Quarters at contract price of TZS. 204.65 million. Idle asset is a loss of public funds.</p>

PE NAME	MAJOR ISSUES
<p>Temeke Municipal Council</p>	<p>Abandoned Executed Contract Worth of TZS. 1.40 billion Upon site visits, auditors noted that implementation of contracts No. LGA/016/2022-2023/W/01/LOT1 & 2 for upgrading of Kijichi Business Centre at Mtoni Kijichi and Spot Improvement of Kijichi Stand Routes (3.6kms) was incomplete and left unused. Further inquire briefed that the contractor requested a termination letter from TMC referring to a meeting dated 28th February, 2023 but there was no response. Auditors requested the minutes of the referred meeting but also were not availed. Uncompleted asset leads to misuse and loss of recourses. loss of tax revenue.</p> <p>Non vetted Contracts by AG and Legal officers wo th TZS 5.76 billion Review of contract files it was revealed that six sampled tenders were not vetted by AG and legal officer of the PE before being signed by the parties. Non-vetted contracts may lead to disputes during implementation.</p>
<p>Kinondoni Municipal Council</p>	<p>Loss of TZS 136.09 million in form of Un-recovered advance payment During review, auditors noted that contract amount of TZS 907,242,428.13 (Labor only) using force account was terminated due to failure by local fundi to accomplish agreed works on time. At the beginning of the project Local fundi was paid advance payment amounting to TZS 136,086,364.22 for contract number LGA/017/2019-20/HQ/W/47 started in April, 2020 to 17 December, 2020 between KMC and 361 Regiment for proposed construction of Mwenge stand However, up to termination of the contract, the money was not recovered by KMC. Improper termination of contract lead to loss of funds.</p> <p>Loss of TZS 304.14 million due to termination of a contractor. KMC signed a contract number LGA/017/2018-19/HQ/CS/04 by M/S Crystal Consultant worth TZS 304,136,064 for construction supervision of Mwenge Bus Stand signed on 14th June, 2019. Additionally, it was noted that client paid the consultant a lump sum of the whole amount of the contract in the basis of time-based mode of payment. Besides that, the contractor M/S 361 Regiment was terminated at progress of 44%. Non accountability of staff leads to loss of funds.</p>
<p>Dar es Salaam City Council</p>	<p>Loss of TZS 333.15 million due to unfair award decision During the review it was noted unfair evaluation results led to award a bidder who was not lowest evaluated by TZS 333.15 million. The evaluation report showed that M/s Kinjekitile General Trading Company Limited submitted lowest bid worth TZS 4.97 billion according to Bid Opening record, but was disqualified for a reason of failing to comply with criteria which needed the "Bidders to show working equipment contract for hire/lease or evidence of ownership" .But observation showed that a bidder complied with this criterion evidenced by two cards of motor vehicle submitted (ownership) and lease contract for hired car or machines due to that reason the award was given to M/s Humphrey Construction Ltd with contract amount of TZS 5.29 billion. This implies that there is loss of fund.</p> <p>None Vetted Contracts by Attorney General worth TZS 1.72 billion During the review it was noted that a contract was signed but not submitted to AG for vetting. The contract number is LGA/018/BCC/2021/2022/ED/Bonyokwa.Sec.S/01 for construction of classrooms at Bonyokwa secondary school worth TZS. 1.72 Thus the contract is null and void.</p> <p>Procurement without formal contract worth TZS. 2.5 billion Contract No. LGA/018/DCC/2022/2023/HQ/W/90 for Construction of Classrooms at Mnazi Mmoja Secondary School worth TZS 1,800,000,000.00 awarded to M/s Light Builders Co. Ltd started its implementation before signing of the contract between the parties. It was observed that DCC instructed contractor to initiate construction activities prior to contract sign by letter with Ref. No. DCC/HS.16/5 dated 29th December 2022, also tender process was not yet started as the tender was advertised on 8th February 2023 and its award of contract was on 8th March, 2023 through the letter with Ref No. DCC/RL.10/129. In addition, also contract No. LGA/018/DCC/2022/23/HQ/G/58 for supply of School Desks for Schools in Dar Es Salaam worth TZS. 700,000,000 issued without contract this is contrary to Regulation 164(2) (j) and Reg. 233 GN No. 446 of 2013 as amended. This may lead procuring entities to legal deficiencies and loss of fun .</p> <p>Abandonment of the project worth TZS 668.52 million The General Conditions of the Contract No. LGA/018/DCC/2022/2023/HQ/W/11, clause 21.1 specifies that the contractor shall begin executing the works by the commencement date and shall complete the works in line with the contractor's supplied work schedule. Verifi ation of the audit on 9th June 2023 for the work performed to the named contract for completion of construction of Mzinga Health Centre, revealed that the contractor, M/S ANDIC LIMITED has abandoned the site.</p>

PE NAME	MAJOR ISSUES
TARURA Morogoro	<p>Contract worth TZS 88,300,305.00 without procurement process The audit revealed that Tender No. AE/092/2022/2023/MOR/W/56 for Routine Maintenance of 23.5km (Road Marking and Road Signs) along Various Paved Roads in Morogoro District costing TZS 88.30 million was granted to M/S NABAWY Contractors Ltd and Olosokwa Group Ltd JV without procurement process to engage the supplier. Initially the Tender No. AE/092/2022/2023/MOR/W/56 was processed through Single Source Tendering (SST) method whereby contractor M/S LWAMLEMA D.J. INVESTMENT LIMITED became non-responsive for failure to submit audited reports as required on tender document. Further it was noted that, this tender No. AE/092/2022/2023/MOR/W/56 was granted to M/S NABAWY Contractors Ltd and Olosokwa Group Ltd JV as an addition work to tender No. AE/092/2022/2023/MOR/W/55. There is a possibility of delay in completion of the project due to overload of works.</p> <p>Loss of TZS 194,634,485.00 due to inefficient of PMU It was revealed inefficiency to PMU resulting into a loss of TZS 194,634,485 on Tender No. AE/092/2022/2023/MOR/W/30 for Construction of Luipa bridge (Chiwachiwa) in Kilombero DC. During first tendering process two (2) contractors were invited. Upon the evaluation both were declared non-responsive. The review shows that the lowest responsive bidder was unfairly disqualified. The second invitation was made to the same non-responsive bidders using the same procurement method. The same lowest bidder awarded the contract at the higher price than the one quoted on the first evaluation. PMU was required to review the initial evaluation and rectify the error instead of re-advertising. Inefficient of PMU results into financial loss of public funds</p>
TARURA Mwanza	<p>Use of non-approved bidders for RNCT for contract worth TZS 2.425 billion. The authority revealed that implemented three (3) sampled tenders by using RNCT that shortlisted contractors were not approved by TB to justify how contractors were obtained, Failure to perform prequalification hinders fair competition paves a way for partiality as a result impairment of achievement of value for money in government projects.</p> <p>Improper performance securing for contract worth above 1 .00 billion The audit of Sureties observed that TDS for the contract no. AE/092/2022-2023/MZA/W/03 required performance securing declaration instead of performance bank guarantee as its estimated value was TZS 1.18 billion while Contract sum is TZS 1,151,822,043.75 which is above the threshold for use of performance securing declaration which is one billion. Inappropriate performance security may lead to loss of public funds.</p>
TARURA Pwani	<p>Inappropriate use of Single Source method for the contract worth TZS 5.55 billion The audit revealed that contract No. AE/092/2022-23/CR/W/79 worth TZS 5.55 billion awarded to ESTIM CONSTRUCTION CO LTD for Construction of Access Road 2KM to Sino Tan Industrial Park in Kwala, was implemented under single source with the reason of urgency and that the contractor had been performing similar assignment for TANROAD at Kwala area (near to the project) thus will save time for mobilization. However, the audit noted that the proposed contractor took three (3) months to mobilize the resources. Moreover, it was observed that the objective of the road to transport products from Kwala industrial area was not achieved because the constructed road was 1.6KM instead of 2KM as per contract. The constructed road will remain idle for unknown time being ineffective use of resources.</p>
TARURA Dar es Salaam	<p>Absence of Shoulders and Footpaths on Rigid Pavement Roads on Contracts worth TZS. 3,164,614,250 The Audit observed that roads constructed to reinforced concrete standards (Rigid Pavements) on three contracts worth TZS 3,164,614,250 were missing shoulders and footpaths which is unsafe to Pedestrians.</p> <p>Non-Installation of 40 Street Lights worth TZS 140,000,000 The Contract No. AE/092/2022/2023/DSM/W/70 for Upgrading of Urambo (0.35km) and Kariakoo (0.70km) road to Bitumen Standard in Ilala District with a value of TZS 1,495,305,780 indicate that 40 street lights were required to be installed whereby 12 street lights were to be installed at Urambo Road and 28 street lights at Kariakoo Road. However, during the site visit it was noted that no single street light was installed along the access roads.</p> <p>Untimely Completion of Works Projects worth TZS 8,220,831,446 The Audit observed that eight contracts worth TZS 8,220,831,446.00 were not timely completed that is their initial completion dates were not met and had several extensions of time. The delays were ranging from 30 days to 90days. Delay in completion of the projects may cause increase in the cost of the project and delay in providing intended services to the citizens.</p>

3.4 Annual Audit Report for MDAs

During the financial year 2022 the Authority conducted Annual Audit to 61 Ministries, Departments and Agencies organizations. The audits were conducted through TANEPS and value for money where auditors conducted Audits at PEs premise. The following part shows the outcomes of the audits conducted to 61 MDAs.

3.4.1 Audit Opinions

The Authority conducted monitoring to 384 MDAs and audits to 61 MDAs during the financial year 2022/2023. Analysis of the evidence obtained during the audit have indicated, 7 entities equivalent to 11.5 percent of all audited MDAs had poor compliance levels with scores below 60 percent, 41 PEs equivalent to 67.2 percent of all audited MDAs had fair compliance levels ranging between 60 and 79 percent, and 13 entities equivalent to 22 percent of all audited MDAs had satisfactory compliance levels with scores of 80 percent and above. The details are shown in Table 3 – 16.

Table 3 - 17: Compliance score based on the audit opinion

S/N	Compliance indicator	Number of PEs	Percentage (%)
1	Satisfactory	13	21.3
2	Fair	41	67.2
3	Poor	7	11.5
	Total	61	100

3.4.2 Overall Compliance

The overall compliance of 29 audited MDAs through TANEPS and 32 audited through value for money audit out of the 384 registered was assessed to be 68 percent. When comparing this average level of compliance with observations made during the financial year 2021/2022, there has been no change.

MDAs which score poorly are; Mwananyamala Regional Referral Hospital, Coastal Regional Referral Hospital (TUMBI), Tanga Regional Referral Hospital (Bombo), Amana Regional Referral Hospital, Morogoro Regional Referral Hospital, Ministry of Home Affairs and Ministry of Livestock and Fisheries.

3.4.3 Implementation of Previous Audit Recommendation

The audit has revealed that there were 618 recommendations issued by the Authority to 35 MDAs during the financial year 2021/2022. The audit has further revealed that a total of 307 recommendations which is equivalent to 49.7 percent were implemented, 112 recommendations which is equivalent to 18.1 percent were partially implemented and 199 recommendations which is equivalent to 32.2 percent were not implemented.

3.4.4 Procurement and Contract Audit Coverage

The procurement and contract audit were conducted to 61 MDAs covering a sample of 838 tenders worth TZS 3.528 trillion implemented during FY 2022/2023, and tenders implemented in previous years. Out of the audited tenders, the sample had a coverage of 355 goods' tenders worth TZS 436.88 billion (12.38%), 326 works' tenders worth TZS 2.82 Trillion (80.0%), 106 non-consultancy tenders worth TZS 68.17 billion (1.93%) and 51 consultancy tenders worth TZS 200.50 billion (5.68%). Details are shown in Table 3 – 17.

Table 3 - 18: Volume of audited sample

Procurement category	Number of Tenders	Value of APP (TZS)	Percentage by value
Goods	355	436,884,375,795.66	12.38%
Works	326	2,822,683,533,790.85	80.00%
Non-Consultancy	106	68,172,141,237.94	1.93%
Consultancy	51	200,507,369,214.65	5.68%
Total	838	3,528,247,420,039.10	100.00%

3.4.5 Comparison of Compliance Level for 4 Consecutive Years

The examination of compliance levels among the audited entities over the past four (4) consecutive years reveals a notable decline from 80.1% to 71.1% for the FY 2019/2020 to 2022/2023 respectively. The compliance levels for MDAs during the FYs 2019/2020, 2020/2021 and 2021/2022 were recorded as 80.1%, 79.4% and 67%, respectively. This decline in compliance level was attributed by a shift in the audit approach where previously the compliance was solely assessed using the TANEPS as the measuring criterion. The trend of the overall compliance score of audited entities over the past four consecutive financial years is illustrated in Figure 3 – 7.



Figure 3 - 7: Trend of compliance over the past 4 consecutive financial years

3.4.6 Major Audit Findings

During the financial year 2022/2023, a total of 61 major issues were observed in 34 out of 61 audited MDAs. The list of PAs and their detailed number of associated issues are shown on Table 3 - 18.

Table 3 - 19: MDAs and associated major issues

Name of PE	Key finding
<p>RUWASA-Geita</p>	<p>Loss of TZS. 18,000,770.00 due to increase in unit prices of the additional quantities The review of contract addendum No. AE-102/2021-2022/GET/W/30 LOT II worth TZS. 431,294,210.00 revealed an increase of TZS. 1,285,769.00 for each 1 borehole which equals to 18,000,770.00 for 14 boreholes contrary to Public Procurement Regulations which requires a contract amendment for additional quantities of the same items shall use the same or lower unit cost as the original contract. This increase resulted to loss of public funds.</p>
<p>MORUWASA</p>	<p>Awarding contract worth TZS 2,463,373,900.00 to a non-responsive bidder The evaluation report for tender No. AE/038/2022-2023/G/02/Lot – 03 showed that M/s Najja Hardware was declared as a responsive bidder and was awarded contract. However, the review of the evaluation report revealed that M/s Najja Hardware submitted invalid business license which was bearing personal name instead of the company name. This anomaly could have declared him a non-responsive bidder.</p> <p>Unfair evaluation resulting into loss of TZS 570,440,027.30 The review of the evaluation report in contract for supply of pipes fittings for construction of rising main and distribution network shows that, the declared responsive bidder M/s Najja Hardware was awarded a contract worth TZS 2,463,373,900.00. However, M/s Freezone General Enterprise who was the lowest bidder was eliminated for failure to fill unit price for one item in submitted price schedule. The analysis shows that if the missed item was to be bought using the same price submitted by M/s Najja Hardware then MORUWASA could have saved TZS. 570,440,027.30.</p> <p>Awarding contract worth TZS. 1,867,647,360.00 without procurement process In review of contract No. AE/038/2022-2023/G/02/Lot 03 it was noted that the supplier M/s Najja Hardware was awarded a contract worth TZS 2,463,373,900.00. Furthermore, the audit observed that the same bidder was awarded another contract worth TZS 1,867,647,360.00 without any procurement process. Engaging supplier without procurement process renders such procurement null and void and may lead to collusion in soliciting appropriate vendors.</p> <p>Mismatch between the signed contract amount against the approved contract amount that lead to a loss of TZS 4,245,439.25 The review of contract No. AE/038/2022-2023/G/02 Lot 2, shows that the signed contract of TZS 630,573,379.25 VAT inclusive exceeded the amount of TZS 626,327,940.00 which was approved by the Tender Board without any justifiable reason. The same has amounted to loss of TZS 4,245,439.25</p> <p>Suspicious contract values that concedes exactly with estimated values Review of the estimated cost highlighted on procedural form No. 2 and contract value observed that the awarded contract value for 3 lots under Tender No. AE/038/2022-2023/G/02 concedes exactly with the estimated value in APP. This indicates highly signs of possible collusion.</p>
<p>Ministry of Natural Resources and Tourism</p>	<p>Unfair disqualification of lowest bidder resulted to loss of TZS 1.6 billion Review of tender No. ME.018/2021-2022/HQ/W/02 noted that the evaluation committee disqualified the lowest evaluated bidder M/s AMI & VAI Investment Co. Ltd with the reasons that the Bidder submitted outdated CRB Annual Fee Receipt. However, audit verification noted that, the submitted receipt of M/s AMI & VAI Investment Co. Ltd was issued on 21st July, 2020 to cover the financial year 2020/2021 and the submitted receipt of M/s Li Jun Development Company Limited was issued on 28th May, 2021 to cover the financial year 2020/2021. Nevertheless the evaluation committee disqualified the bidder M/s AMI & VAI Investment Co. Ltd with bid price of TZS 14,780,549,861.92 on preliminary examination stage and awarding the contract to the second lowest bidder with bid price of TZS 16,418,331,701.74 resulting to loss of TZS 1,637,781,840.00.</p>
<p>Ministry of Water</p>	<p>Unfair disqualification of the lowest evaluated bidder led to loss of TZS 7.78 billion Review of tender No. ME-011/2020-2021/W/13 noted that the evaluation committee disqualified the lowest bidder M/s BEIJING CONSTRUCTION ENGINEERING GROUP CO. LTD with the reasons that the bidder had abnormally low bid. Nevertheless the evaluation committee disqualified the bidder with bid price of 23,036,582,513.27 and awarded the contract to the second lowest bidder with bid price of 30,812,999,179.47. This has resulted in loss of TZS 7,776,416,666.00.</p> <p>Contract Variation amounting to TZS 696.71 million without TB's approval During site visit on 29th July, 2023 to assess implementation of contract No. ME-011/2020-2021/W/12, it was observed that there was a variation of TZS 696,709,342.00 which was approved by only Project Manager without further approval of the Tender Board. This act raises doubts as variations have not been approved.</p>

Name of PE	Key finding
TANROADS-HQ	<p>Delayed payments leading to interest charges of TZS. 18.84 billion Audit on four contracts showed that there were delays of payment by 28 days as indicated in payment clause that resulted to computation of interests to contractors amounting TZS. 18,841,321,661.27 of which TANROADS HQ has already paid an interest amounting TZS. 14,616,335,353.01 for late payments.</p> <p>Awarding contract worth TZS. 210.06 billion to unqualified Bidde The review of Contract No. AE/001/2022-23/HQ/W/14 and AE/001/2022-23/HQ/W/02 shows the contracts were awarded to M/s China Road and Bridge Corporation (T) Ltd who was not registered by BRELA and CRB therefore lacking legal capacity to bid in the tender.</p> <p>Poor installation which led to loss of TZS. 146 million. According to contract No. TRD/HQ/1008/2022/23 for design, Fabrication and installation of sculpture at Tanzanite bridge awarded to M/s New Star Studio Ltd, it indicated contract duration of assignment was 66 days which was to be completed by 25th November, 2022. However, until the time of the audit M/s New Star Studio Ltd had not installed a proper protection system (lighting arrestor system) as specified in contract. Failure to install the same resulted to loss of TZS. 146,058,303.02 since copper tapes and earth electrodes were stolen.</p> <p>Overpayment of TZS. 55.58 million to M/s Yooshin Engineering Corporation During review of contract No. TRD/HQ/1031/2016/17 for Consultancy service of design and supervision of road from Itoni- Mawengi with value TZS. 5,366,717,939.00 it was discovered that consultant M/s Yooshin Engineering Corporation was paid a total of TZS 55,578,854.75 which exceed the agreed contract price by TZS. 55,578,854.75 without any justifi ation. Furthermore, it was noted that TANROADS has received more five 5 Invoices (No.54,55,56,57 and 58) from amounting TZS. 640,479,014.80 which have not been paid. If these payments are to be honoured the loss will escalate to TZS 751,636,724.30</p> <p>Payment of interest worth TZS. 833.28 million on delayed advance payments. GCC 53.1 in contract TRD/HQ/1031/2016/17 requires PE to issue advance payment to the contractor with an amount stated in SCC. It further reiterates that interest will not be charged on the advance payment. However, during the audit it was noted that TANROADS made payment for interests on delayed advance payments amounting to TZS. 833,286,283.58.</p>
TANROADS - DSM	<p>Use of Restricted tendering method without justifi ation for contract worth TZS 1,336,560,749.00 The review for tenders No. AE/2022-23/DSM/W/70 and AE/2022-23/DSM/W/54 worth TZS 1,073,953,850.00and 262,000,000.00 respectively; it was observed that the PE used RNCT as a procurement method without justifi ation. Unjustifiable estricted tendering limits transparency, fairness and competition to eligible bidders.</p>
TANROADS - Mwanza	<p>Payment of retention money amounting to TZS 946.32 million to Contractors before contracts completion. On the assessment of proper management of retention money, it was observed that TANROADS Mwanza made payment worth TZS 946,324,990.09 retention money to contractors while the work was not substantially completed. This anomaly was observed in 9 contracts. This may lead to loss of government funds if the contractors fail to rectify snags in defect liability periods.</p>
DAWASA	<p>Award of contract worth TZS. 1,166,164,500 to a non-responsive bidder Review of tender No. AE/033/2021-2022/W/04 Lot 2 revealed that, M/s CiahCom Company who was not technically responsive was recommended for the award of contract worth TZS. 1,166,164,500. Among the criteria which was not met by bidder included failure to submit the CRB certi ficates of the required class (Class fiv) in compliance with the requirements of the tender document.</p> <p>Slow progress of works execution for contract worth TZS.2,116,478,090.00 Review of contract No. AE/033/2021-2022/W/04 Lot 1&3 showed a slow progress in works execution and this was caused by lack of key working equipment's at site as agreed in the contract. The equipment which the contractor agreed to mobilize were 6 pumps, four tipper tracks of 15m³, four excavators and roller for compact hiring. However, during the site visit the auditors revealed that, there was only one pump in Mikocheni and Mabibo sites which werenot in good condition as they were failing to pump water from the waste water ponds in a continuous process. Despite the fact that the contractor was paid the advance payment TZS 200,000,000 for mobilizing equipment, the same was not done appropriately. Due to this failure, there is high risk of having delays in completion of the remaining works.</p>
DUWASA	<p>Use of non-competitive tendering methods without justifi ation for tenders worth TZS 4.52 billion It was observed that, DUWASA used non-competitive tendering methods without justifi ation for tenders worth TZS 4.52 billion. Unjustifiable non-competitive methods limit transpa ency, fairness and competition to eligible bidders.</p>

Name of PE	Key findings
MINISTRY OF LIVESTOCK AND FISHERIES	<p>Use of single source procurement method without justification for tenders worth TZS 5,323,079,760.00 It was observed that PE used single source procurement method without justification for tenders for tender no ME/021/01/2022-2023/HQ/W/20 worth TZS 834,179,760, Tender no. ME/021/01/2022-2023/HQ/G/17 worth TZS 3,884,400,000.0 and for tender no. ME/021/01/2022-2023/HQ/G/22 worth TZS 604,500,000.00. Authorized payment for tasks not performed for tender worth TZS.11,400,000.00 The audit observed that the Ministry of Livestock and Fisheries authorized payment amounting to TZS. 11,400,000.00 to the contractor for non-performed works of shelters, toilets and temporary offices.</p>
MINISTRY OF AGRICULTURE	<p>Unfair disqualification of bidders for contracts amounting to TZS. 1.3 billion During the review of contract No. ME012/2022-23/HQ/G/69 worth TZS 351,750,000 it was noted that M/s MASUMIN PRINTWAYS AND STATIONERY LIMITED was unfairly disqualified for failure to attach stamped technical specifications and submitted bid security for Furniture and Fittings instead of Supply of Laptop computers. However, the audit noted that the bidder met the stated criterion. Unfair disqualification led to the award of contract to M/S ALKANET (T) LIMITED at contract price of TZS 460,200,000 that caused loss of TZS 108,450,000. Moreover, there was unfair disqualification of M/s Sunshine General Security Services Ltd with quoted price of TZS. 737,736,000.00 due to the fact that, the firm did not have employees' database who were ready for employment other than those in the workplace. However, the audit noted that, the second evaluated lowest bidder M/s SUMA JKT with quoted price TZS 793,175,999.64 was invited for negotiation without due diligence.</p> <p>Use of non-competitive method for procurement worth TZS. 31.3 billion During the review of tender No. ME 012/2021-22/HQ/G/12, ME 012/2022-23/HQ/G/13 for supply of 5500 motorcycles worth TZS. 16.6 billion and ME 012/2022-23/HQ/W/34 LOT worth TZS 14.76 billion for Proposed construction of 28 pre-fabricated steel grain storage facilities at various wards and villages in Ruvuma Region were made without using competitive method. Unjustifiable non-competitive methods limit transparency, fairness and competition to eligible bidders.</p> <p>Non-use of TANEPS to Process Tenders amounting to TZS. 48 billion During the audit it was noted that, four (04) contracts worth TZS 48,021,361,503.48 were not processed through TANEPS. This hinders Authority's legal mandate to monitor procurement activities within the entity.</p>
MINISTRY OF EDUCATION	<p>Use of non-competitive tendering methods without justification for tenders worth TZS 61,399,676,536.95 There was use of non-competitive tendering methods without justification for tenders worth TZS 61,399,676,536.95. Furthermore, it was noted that the mentioned procurement was done outside TANEPS.</p> <p>Contract worth TZS 1,701,122,750 not submitted to Attorney General for vetting It was noted that; a contract worth TZS 1,701,122,750 for provision of consultancy services for Independent Verification Agent (IVA) under Boost Project was not submitted to Attorney General for Vetting contrary to Regulations 59(1) of the Public Procurement Regulations, of 2013 as amended.</p>
TANROADS – TANGA	<p>Use of Non-competitive Procurement method for the contract worth TZS. 2,345,846,600.00 without justification. The audit observed that TANROADS- Tanga used single-source and restricted tendering methods for contracts worth TZS 2,345,846,600.00 without reasonable justifications. Furthermore, the audit failed to ascertain the reasons for the proposed contractors to be awarded the said contracts. Unjustifiable non-competitive methods limit transparency, fairness and competition to eligible bidders.</p>
TANROADS DODOMA	<p>Awarding the Contract to Non responsive Bidder on Contract worth TZS. 8 billion Contract No. AE/001/2022-23/DO/W/55 worth TZS 8,852,020,531.03 was recommended to be awarded to M/s. Technics Construction Group Ltd without complying with the requirement to submit the minimum average annual construction turnover of TZS 6 billion. This may cause loss of public fund in case of non-performance by the awarded bidder.</p>
RUWASA-Mtwara	<p>Contract worth TZS. 1,187,057,785.00 not vetted by the Attorney General Review of tender No. AE-102/2022-2023/LND/W/06 with contract amount of TZS 1,187,057,785.00 VAT Inclusive for construction of Naipanga water supply project at Ruangwa District Lindi Region shows the contract was vetted by the Legal Officer but it was not sent to the Attorney General for vetting.</p> <p>Improper evaluation of a tender leading to loss of TZS. 419,350,482.20 Review of Tender No.AE-102/2022-2023/LND/W/06 revealed that; the evaluation team disqualified M/s Albertech Contractors Limited whose bid price was TZS. 767,707,302.8 and recommended award in favour of M/s Broadways Engineering Company Ltd (the second lowest evaluated bidder who offered to execute the contract for TZS 1,187,057,785.00 VAT inclusive (difference of TZS. 419,350,482.20 with a reason of deviation by -39% from engineering estimate (TZS 1,250,000,000.00 VAT Inclusive). Furthermore, the notice of intention to award contract letter sent to M/s Albertech Contractors Limited stating the reason of being dropped was priced offer was higher than that of M/S Broadways Engineering Company which is wrong.</p>

Name of PE	Key finding
RUWASA-Mbeya	<p>Unjustified use Restricted National Competitive Tendering Method for procurement worth TZS 406,294,378.71 Audit revealed that tender No. PA/047/2021-2022/G/21B for procurement of pipes with estimated value of TZS 406,294,378.71 was implemented using Restricted National Competitive Tendering without justification.</p> <p>Unfair disqualification of bidders resulted to loss of TZS. 82.7 million Audit revealed unfair disqualification of bidders with criteria not stated in evaluation criteria. This anomaly was observed in Tender No. AE/102/2022-2023/MBY/W/04 for construction of Masoko II Water Supply Project in Rungwe District with estimated value of TZS. 1,031,016,250.94 where by three bidders were disqualified for the reason of not attaching site visit certificate. Hence, resulted to RUWASA Mbeya to award contract to Chelesi General Enterprises with the value of TZS. 1,021,04,250,94 VAT Exclusive instead of M/S Scorpion Ltd with the estimated value of TZS. 938,312,081.68 hence resulted to loss of TZS 82,792,169.26.</p>
VETA-HQ	<p>Use of restricted tendering method without proper justification for a tender worth TZS 14,573,537,785.79 The review revealed that tender no. PA/024/2022/2023/HQ/W/01 used restricted tendering method without proper justification. Also, it was observed that the tendering period from invitation to contract signing took 89 days.</p> <p>Unfair disqualification of tenderers in tenders worth TZS 2,295,266,124.00 The review of No. PA/024/2022/2023/HQ/G/20 with estimated value of TZS 2,196,975,000 revealed that, M/s Masumin Printways & Stationeries was unfairly disqualified for failure to submit signed tender security. However, this was contrary to the evidence obtained during the review, as it was noted that VETA-HQ did not seek clarification of the submitted tender security from the Bank on its authenticity. If the contract was fairly awarded PE could have saved a total of TZS 98,291,124.00.</p>
REA	<p>Awarding of contracts amounting to TZS. 191.8 billion to non-responsive bidders It was observed that intender No. AE/008/2022-23/HQ/W/4 LOT 1-14 and AE/008/2022-23/HQ/W/3 LOT 1 – 4, five (5) bidders namely: M/s Sengerema Engineering Group Ltd, M/s Sagemcom Energy and Telecom SAS, M/S Jiangsu Etern Company Limited, M/s MF Electrical Engineering LTD, and M/s JV MF Electrical Engineering LTD and GESAP Engineering Group Limited were awarded contracts worth TZS 191,887,261,258.1 despite of not meeting qualification and evaluation criteria contained in bidding documents.</p> <p>Unfair Evaluation for Tenders with estimated value of TZS 363.2 billion During the review of the following four tenders namely; Tender No. AE/008/2022-23/HQ/W/4 Lot 1-14, AE/008/2022-23/HQ/W/3 Lot 1-4, AE/008/2021-2022/HQ/W/33 Lot 7 and AE/008/2020-21/HQ/W/35 amounting to TZS. 363,216,154,009.7 revealed that there was unfair evaluation process as evaluation criteria were not equally applied to bidders leading to qualification of favoured bidders and disqualification of others who failed to meet the same stated criteria. The audit observed that the favoured bidders were: M/s Sengerema Engineering Group Ltd, SAGEMCOM Energy and Telecom SAS, M/s Ensol (T) Ltd and M/s Hainan International Ltd. Furthermore, M/s Ensol (T) Ltd was qualified despite of submitting incomplete Form of Tender while M/s PIVOTECH COMPANY LIMITED was disqualified; and M/s Hainan International was qualified despite of proposed key personnel missed registration with respective professional Board while Ltd M/s B. H. Ladwa Limited was disqualified due to lack of uniformity of names of General Foreman in academic certificates.</p>
TBA	<p>Tenders evaluated without using criteria stated in the TD The review of evaluation reports for two (2) tenders worth TZS 2,558,665,500.00 at TBA revealed some of the criteria as mentioned in the tender document clause 12 (c), (d), (e) and (f) of the TDS were not considered during evaluation to obtain qualified bidders hence could lead to the award of contract to unqualified bidder.</p>
TRA	<p>Post-qualification/Due diligence for procurements worth TZS. 20,423,913,730.01 being conducted after contracts award The audit revealed that post-qualification/due diligence on four contracts worth TZS. 20,423,913,730.01 were conducted after contracts have been awarded which is contrary to Section 3 of PPA, CAP 410 (R.E. 2022). Failure to conduct due diligence may cause awarding the contract to bidders who are not capable to perform the respective contracts hence delay in projects completion.</p> <p>Contract worth USD 439,887.61 was signed without being vetted by Attorney General The review of contract No. AE/023/2021-22/HQ/G/42 for Supply, installation, Commissioning of X-Ray Baggage Scanners for Abeid Amani Karume International Airport (Zanzibar), it was observed that TRA entered into contract worth USD 439,887.61 with M/s KGT UK Ltd without the contract being vetted by Attorney General.</p>

Name of PE	Key findings
PO-RALG	<p>Undelivered goods in tender worth 4,229,500,000.00 billion Review of contract No. ME/022/2022/2023/HQ/G/21 revealed that, the final quantities delivered in one of the sampled school namely Nkuhingu Primary School was not corresponding with those reflected by the statement of requirements and distribution list. Distribution list specify items to be delivered were, nine (9) Manual Wheelchair with table, four (4) set of Clutches axillaries and four (4) set of Clutches elbow. However the site visit noted that four (4) set of Clutches axillaries were not delivered though the receipt voucher of Dodoma Municipal Council evidenced the receipt of the identified item s delivered and accepted for payments.</p> <p>Overpayment of TZS 14.08 Million was made to the service provider The review of Contract No. ME/022/2022-23/HQ/NC/12 worth TZS 589,443,219 submitted by the bidder M/s Villa revealed that the PE had paid the Supplier TZS 603,520,261.70 on account to UMISSETA which is over compared to amount stated in signed contract. This implies an overpayment of TZS 14,077,042.70</p>
MTUWASA	<p>Unfair Evaluation of tender resulting into loss of TZS 62,244,617.99 During the review of evaluation report in tender No. AE/041/2022-2023/HQ/G/15A for supply of fittings and specials at MTUWASA in Mtwara Region, it was noted that the evaluation committee recommended award to M/s Multicable who was ranked as third evaluated bidders during financial evaluation and leaving M/s Nyamanolo Investment Ltd at a bid price of TZS 96,860,064.01 who was disqualified without justifi ation. Thus resulted into a loss of TZS. 62,244,617.99.</p> <p>Award of contract worth TZS. 217,120,000.00 to non-responsive Bidder During the review of tender No. AE/041/2022-2023/HQ/G/16 Phase II Lot 1 worth TZS. 376,020,000.00 the EC recommended M/s Najja Hardware to be awarded a contract while he submitted an invalid business license bearing personal name (Rashid Mwinyimkuu Mbegu) and not company name.</p>
Tanga RRH (Bombo)	<p>Awards of contract worth TZS. 2,027,961,039.59 without TB approval The review revealed that, 35 tenders worth TZS. 2,027,961,039.59 were awarded without Tender Board approval.</p>
Ministry of Health	<p>MOH used single source method without justification for tenders worth TZS 8,055,306,500.00 MOH used single source procurement method without justifi ation for Tender No. ME/007/2022-2023/HQ/NC/38 and MOH/2022-2023/HQ/G/53.</p> <p>Payment of TZS 1,270,769,338.00 to supplier for the non-delivered goods Payments amounting to TZS 1,270,769,338.00 were made to M/s East African Technology Limited in respect to Tender No. ME/007/2022-2023/HQ/G/146 for goods not delivered.</p> <p>Procured goods worth TZS 195,105,200.00 were idle or not in use for substantial period of time The audit observed that, procured goods were idle and stored for a long period. This was noted on procured lifts under contract No. MOHCDGEC/2021-2022/HQ/W/24 worth TZS 150,000,000.00 which had not been installed, while its defect liability period ends on 31 December, 2023. It was further noted that the building at which this lift is expected to be installed is yet to be constructed.</p> <p>Also, 16 Laptops procured in January 2023 were found in the storehouse; bad enough, these laptops have a one-year warranty that will expire in December, 2023.</p> <p>Variations of works worth TZS 143.10 Million without prior approval of the Tender Board The audit noticed that there are variations, especially in the construction projects that were not approved by the Tender Board. For instance, in tender No. ME/007/2021-2022/HQ/W/10, there was a variation worth TZS 143,101,172.40 of additional works that were submitted by the consultant to the client, but there was no evidence that they were approved by the Tender Board. However, some of these works have been partially or totally implemented by the contractor.</p>
TANROADS Mbeya	<p>Tender Board approved recommendation for awards to non-responsive bids worth TZS 9.25 billion. Audit review on TANePS revealed that evaluation committee recommended repetition of procurement process due to non-responsive bid as required by stated evaluation criteria, However, TB waived the shortfalls analysed on the non-responsive bids and directed EC to continue with evaluation.</p>
TANROADS Mtwara	<p>Unfair disqualification of lowest bidder Review of the tender document and bid submissions for tender No. AE-001/2022-23/MT/W/43 noted that the evaluation committee disqualified the lowest bidder on the reasons that did not meet the qualifi ation criteria stated in the tender document.</p> <p>TDS Clause 12 of ITT clause 11.1 (C) requires submission of evidence of having a minimum size of any single (01) project of a similar nature and volume performed as prime Contractor or Sub contractor in the last three (3) years with minimum value of TZS 400,000,000.00 that have been successfully and substantially completed and that are similar to the proposed works by submitting the completion certifi ates. However, audit verifi ation noted that the bidder complied with this criteria evidence of work performed as he submitted a certifi ate of completion issued on 18th June 2020 worth TZS 526,397,002.80.</p>

Name of PE	Key finding
TANROADS Rukwa	<p>The use of Single Source procurement method without justifications</p> <p>During the audit, it was observed that, five tenders amounting TZS 6.08 billion procurement were carried out using Single Source procurement method without having justifications on the use of single source.</p>
TANROADS Kilimanjaro	<p>Contracts worth TZS 1,101,465,750 were approved by TB for award to unqualified Bidder</p> <p>The TB approved award of two (2) contracts worth total of TZS 1,101,465,750.00 to bidders, M/s Kifuko Furniture & Contractors Ltd and M/s Sengo 2000 Tanzania Ltd respectively who were non-substantially responsive and were eliminated by EC during tender evaluation. M/s Kifuko Furniture did not meet technical qualification criteria on qualification of required Site Manager/Site Agent and Materials Engineer while M/s Sengo 2000 failed to demonstrate financial capability and quotation form was signed by unauthorized person but two bidders were subsequently made responsive by correction of the observed material deviation and omission during pre-contract negotiations.</p> <p>Contract worth TZS 19,453,360.00 was approved for award by TB to the second lowest evaluated Bidder without justifications</p> <p>According to the tender evaluation report, the lowest evaluated and recommended bidder for contract worth TZS 19,453,360.00 was M/s Runekul Enterprises at contract price of TZS 16,978,513.00. In the minutes of TB, the contract was approved for award to M/s Fatu Kibe at contract price of TZS 19,453,360.00 without any recorded justification or reasons in the minutes of TB meeting.</p> <p>Contract amendments with additional value of above 15% of contract prices were made without prior approval of Budget Approving Authority</p> <p>The amendments made to two (2) contracts with No. AE/001/2022-23/KIL/W/R295/05 and AE/001/2022-23/KIL/W/T021/06 worth total value of TZS 2,618,759,900.00 increased original contract amount by 22.1% and 22.4% respectively. The additional values were above 15% but the approval of Budget Approving Authority (BAA) was not sought.</p>
RUWASA-Mara	<p>Inefficiency of tender evaluation process that cause the award of contracts worth TZS. 2,406,383,910.6 to none responsive bidders</p> <p>During the review of submitted qualification information it was revealed that the award of two works tender worth 1,872,613,590.60 were made to technical non-responsive bidder M/S N & J Investment Limited. Furthermore, the audit revealed that six local fundis were found non-responsive but were awarded contract amounting to TZS. 533,770,320. Technically, mentioned awardees fail to demonstrate previous performance of similar works as required in clause 12.1 (b) of ITT.</p>
RUWASA-Manyara	<p>Unfair disqualification of bidders</p> <p>The review of evaluation report for tender No. AE-102/2022-2023/DOM/W/08 revealed unfair disqualification of the lowest bidder with submitted price of TZS 1,093,451,474.00 while the recommended awarded bidder has highest price of TZS 1,129,270,576.80 which resulted to loss of public fund amounting TZS 35,819,102.80</p> <p>Also, the review shows that the bidder M/s Medes Company Ltd with quoted price of TZS 1,214,249,277.57 was disqualified on the bases of the criteria which required bidder to submit certificate of registration from CRB, while another M/s Olsh Company Limited quoted price of TZS 1,098,613,581.03 was qualified on the bases of the same criteria. However, such criteria in the tender document and in the system did not state class of registration.</p>
RUWASA-Songwe	<p>Evaluation for tender worth TZS 320 Million conducted by one member only</p> <p>During the audit, it was observed that the evaluation for tender No. AE/102/2022-2023/SNG/W/08 worth TZS 320,000,000 was conducted by one member. This is contrary to the requirements of Regulation which require a minimum of three members.</p> <p>Award of contract worth TZS. 320 million to non-responsive bidder</p> <p>Review of contract No. AE/102/2022-2023/SNG/NCS/01 noted that M/s Egin Festo was awarded the contract while he did not attach signed form of bid, TIN, VAT Certificate and business license and general experience of bidders and the technical compliance with the respective service. This implies award of bid to non-responsive tenderer.</p>
TANROADS-KAGERA	<p>Contracts award worth TZS. 48,037,156,712.15 were made to non-response bidders</p> <p>During the review of submitted bids for tender No. AE/001/2022-23/KGR/W/26 it was revealed that evaluation committee recommended the award of contract worth TZS. 533,113,000 to M/s Kanana Logistic Company without considering the weakness observed on his submission to be done on technical criteria i.e., ERB registration of his site agent. Furthermore the review on the evaluation report for the tender No. AE/001/2022-23/KGR/W/31 observed that evaluation committee recommend the contract not to be awarded to M/s China Henan International Cooperation Group Co. Ltd because he did not meet the minimum requirements stated in the tender document, but TB approved the contract award to the said bidder at a corrected bid price of TZS. 47,504,043,712.15.</p>

Name of PE	Key finding
RUWASA Coast	<p>Improper evaluation and award of contract worth TZS 6,310,169,279.92</p> <p>The audit observed improper evaluation and award of Contract No. AE-102/2022-2023/PWN/W/01 worth TZS 6,310,169,279.92 whereby M/s Yell Ltd submitted their bid under joint venture with STC Construction Co. Ltd, at the same time STC Construction Co. Ltd submitted her separate bid competing with M/s Yell Ltd. At the evaluation stage they M/s Yell Ltd was ranked as the lowest bidder while STC Construction Co. Ltd was ranked as the second bidder. During the approval of evaluation report by TB decided that the contract be awarded to M/s Yell Ltd and STC Construction Co. Ltd under joint venture contrary to Regulation 122(9) of PPR 2013 that requires firms which are pre-qualified in a joint venture shall not be allowed to submit individual bids.</p>
RUWASA MWANZA	<p>Inconsistency in the negotiated and awarded amount resulting to loss of TZS 169,802,571.40</p> <p>Audit review on two Contracts worth TZS 4,822,897,754.40 revealed that there was inconsistency in the negotiated and awarded amounts. On contract No. AE-102/2022-2023/MWZ/W/03 negotiated amount was TZS 3,929,581,953 while the awarded amount was TZS 3,969,152,143.00 and on contract No. AE-102/2022-2023/MAR/W/04 the negotiated amount was TZS 723,513,230 while the awarded amount was TZS 853,745,611.40. This has collectively resulted to loss of TZS. 169,802,571.40.</p>

3.5 Annual Audit Report for Parastatals Organizations

During the financial year 2022/2023 the Authority conducted Annual Audit to 44 Parastatal organizations. The audits were conducted through TANEPS and traditional approach where auditors conducted Audits at PEs premises. The following part shows the outcomes of the audits conducted:

3.5.1 Audit Opinions

The Authority conducted audits to 44 parastatals organizations during the financial year 2022/2023. Analysis of the evidence obtained during the audit have indicated that, 8 entities equivalent to 18.2 percent of audited Parastatals had poor compliance levels with scores below 60 percent, 28 PEs equivalent to 63.6 percent of all audited parastatals had fair compliance levels ranging between 60 and 79 percent, and 08 entities equivalent to 18.2 percent of all audited parastatals had satisfactory compliance levels with scores of 80 percent and above.

Table 3 - 20: Compliance score based on the audit opinion

S/N	Compliance Indicator	Number of Parastatals	Percentage
1	Satisfactory	8	18%
2	Fair	28	64%
3	Poor	8	18%
Total		44	100%

3.5.2 Overall Compliance

The audits were conducted through TANEPS and through traditional methods of physical visits to PEs premises. The overall compliance of 17 audited parastatals through TANEPS and 27 audited through traditional method out of the 195 registered was assessed to be 68 percent entities. When comparing this average level of compliance with observations made during the financial year 2021/2022, there has been no change. This is notable because the compliance level in the previous financial year through TANEPS was also 68 percent.

Parastatals that score poorly are; Tanzania Posts Corporation, National Food Reserve Agency, Sokoine University of Agriculture, State Mining Corporation, Tanzania Agricultural Research Institute, Ardhi University, Open University and Mirembe Mental Health Hospital.

3.5.3 Implementation of Previous Audit Recommendation

The audit assessed the implementations of recommendations made by the Authority during the financial year 2022/2022. The outcome of the audit has revealed that there were 384 recommendations issued by the Authority to 33 Parastatals during the financial year 2021/2022. Out of these recommendations, a total of 180 recommendations which is equivalent to 47 percent were implemented, 98 recommendations which is equivalent to 25 percent were partially implementations and 106 recommendations which is equivalent to 28 percent were not implemented.

Table 3 - 21: Implementation of previous audit recommendations

Status of implementations	Total Numbers of Recommendations	Percentage
Implemented	180	47%
Partially implemented	98	25%
Not Implemented	106	28%
Total	384	100%

3.5.4 Procurement and Contract Audit Coverage

During the financial year 2022/2023, it was revealed that the procurement and contract audit conducted to 44 Parastatal Organization has covered a sample of 782 tenders worth TZS 13,995.10 billion, and few tenders procured in previous years but their implementation continued in FY 2022/2023. Out of the audited tenders, the sample constitute 438 goods' tenders worth TZS 2,029.06 billion (14.5%), 150 works' tenders worth TZS 11,771.04 billion (84.1%), 146 non-consultancy tenders worth TZS 161.82 billion (1.2%) and 48 consultancy tenders worth TZS 33.18 billion (0.2%).

Table 3 - 22: Volume of Audited Sample for 44 Parastatals

Procurement category	Number of Tenders	Value of APP (TZS)	% by Number	% by Value
Goods	438	2,029,063,123,324.37	56.0%	14.5%
Works	150	11,771,042,815,743.80	19.2%	84.1%
Non-Consultancy	146	161,822,275,028.91	18.7%	1.2%
Consultancy	48	33,181,402,769.63	6.1%	0.2%
Total	782	13,995,109,616,866.70	100%	100%

3.5.5 Comparison of Compliance Level for 4 Consecutive Years

The examination of compliance levels among the audited entities over the past four (4) consecutive years reveals a notable decline from 78% to 68%. for the FY 2019/2020 to 2022/2023 respectively. The compliance levels for LGAs, MDAs and PAs during the FYs 2019/2020, 2020/2021 and 2021/2022 were recorded as 78%, 75% and 68%, respectively. This decline in compliance level was attributed by a shift in the audit approach where previously the compliance was solely assessed using the TAnEps as the measuring criterion. The trend of the overall compliance score of audited entities over the past four consecutive financial years is illustrated in Figure 3 – 8.

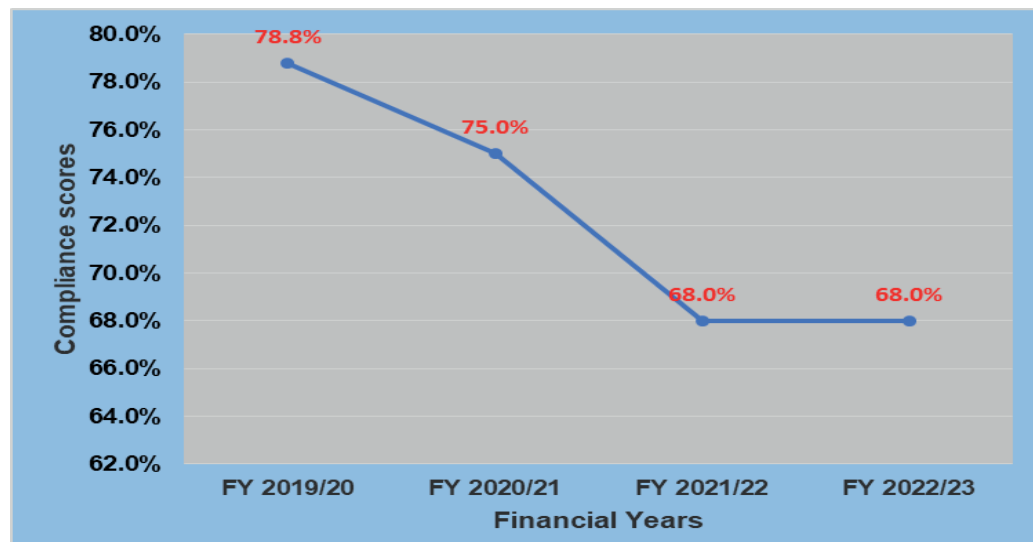


Figure 3 - 8: Trend of compliance over the past 4 consecutive financial years

3.5.6 Major Audit Findings

During the financial year 2022/2023, a total of 31 major issues were observed in 14 out of 44 audited PAs. The list of PAs and their detailed number of associated issues are shown in Table 3 - 22.

Table 3 - 23: Parastatal Organisations and associated major issues

Parastatal	Key Issues
<p>BOT</p>	<p>Authorization of payment in unexecuted works worth TZS 19.05 million The review of contract documents respect of contract No. PA/082/2022-23/ZNZ/W/188 awarded to the contractor M/s. Trinity Manufacturing Services Limited at a contract price of TZS 187,877,800.00 revealed the project supervisor on 20th June 2023 through Penultimate Certificate No.1 authorized payment of TZS 150,715,545.00 which is inclusive of unfixed materials worth TZS 19,053,600.00 for Mazizini Site contrary to GCC 52.4 which requires the project manager to certify values in the bill of quantities whose works have been completed. Materials on site are not among the executed-completed works. Certification of uncompleted works (materials on site) leads to loss of government funds, value for money not attained.</p>
<p>TBC</p>	<p>Unfair evaluation leads to loss of TZS 65.47 million The review of tender No. PA/084/2022-23/HQ/G/26 Lot 1 for procurement of portable live equipment showed that the evaluation was not conducted fairly as the evaluation team recommended the award to the highest bidder with a bid price TZS 360,468,544.00 instead of the lowest bidder with bid price of TZS 295,000,000.00. It has been observed that in the technical evaluation stage, the evaluation team excluded the lowest bidder due to their failure to submit a manufacturer letter, even though the bidder had indeed submitted it.</p> <p>Payment of TZS 32.09 million on undelivered items Review of inspection reports for goods and services procured by TBC noted that, contract no. PA/084/2022-23/HQ/G/21 Lot 1 for Supply of ICT Equipment and Accessories for System Connectivity at TBC Radio Studio at Nyerere Road and TBC2 Building at Mikocheni, Goods Inspection and Acceptance Committee was made up of two members who acknowledged through report to have received and inspected all items as per contract requirement. An interview with the committee team leader and physical verification revealed that software items worth USD 13,832.96 equivalent to TZS 32,092,467.00 (Transcoding software and Software customization service) were not received. Failure to receive all items as specified in contract lead to loss of public funds.</p>
<p>TBS</p>	<p>Failure to impose liquidated damages Reviewing of contract implementation files for contract No. PA/004/2022-2021/HQ/G/28 for supply of fuel marker between TBS and M/s. SICPA Tanzania Limited found that technical specifications for fuel marker and detection systems item "b" required SICPA to supply timely fuel marker at designated depots at Kigamboni, Tanga and Mtwara. However, M/s. SICPA Tanzania Limited never supplied fuel marker to Mtwara and Tanga depots. In spite of the supplier's violation of the specified item in the TBS (Technical Bid Specification), TBS did not enforce the liquidated damages as stipulated in Clause 19 of the contract. Consequently, TBS had to carry out the supply using its own resources. This situation added costs and risks to the procuring entity (PE), which were originally intended to be borne by the supplier through the liquidated damages clause. The failure to supply the goods and services as agreed upon, along with the omission of imposing liquidated damages, results in financial losses to the government.</p> <p>Idle motor vehicles' inspection equipment worth TZS 192.88 billion During the stockyard visit at TBS, the audit revealed that there were idle motor vehicle inspection equipment items that had been procured and received since March 2021. However, the Procuring Entity (PE) failed to provide any evidence indicating that these items were in the process of being prepared for installation and utilization. This situation reflects poor planning, as the equipment is not being put to use, resulting in a loss of government funds. Additionally, there is concern that the procured equipment may have become outdated and may no longer meet its intended use.</p>
<p>TANESCO</p>	<p>Unnecessary rejection of 30 tenders with estimated value of TZS 7.18 billion During review of sampled tenders, it was noted that 30 tenders (10 percent of implemented tenders) with estimated value of TZS 7,182,869,700.00 were rejected without justifiable reasons. It has been observed that rejections associated with inadequate preparation of tender documents. This has resulted in unnecessary delays and setbacks in achieving TANESCO's planned objectives.</p> <p>Conflict of interest observed in contract worth TZS 239.92 million During the review of Cash Book and the report from BRELA, it was revealed that TANESCO made payments to the companies owned by shareholders from TANESCO's Board Members. The service provider M/s. Lilac Business Services Limited of Dar es Salaam was paid TZS 37,701,000.00 and M/s. Radi Services Limited of Dar es Salaam was paid TZS 202,217,200.00. There was possibility of unfair award of the contract to the companies whom tender board members are shareholder without declaring conflict of interest during approvals.</p> <p>Delay implementation of JNHPP Cooperate Social Responsibility-projects for five years (5) as a result of failure to adhere on contract terms During review of the framework contract No ME/008/2017-18/HQ/W/03 the contract for implementation of Julius Nyerere Hydro-Electrical Power (JNHPP) Corporate Social Responsibility project it was revealed that the PE advertised tender for designing, contract management and supervision of implementation of (JNHPP) Corporate Social Responsibility (CSR) projects which was against Article 2.1.1 of the framework agreement. The clause stipulates that the Contractor will not donate cash during implementation of the CSR instead it will implement the social projects under EPC contract modal. The framework contract required the parties to prepare a detailed contract that will describe the time table for implementation of CRS up to the moment the detailed agreement is not implemented.</p> <p>Prolonged tendering for 100 tenders with estimated to worth TZS 2.069 trillion Through reviewing of tendering process time for 102 sampled tenders it was observed that, 100 tenders were extremely delayed to a maximum of 8.6 month for reasons such as request for clarification from bidders, Partial specifications and re-scoping works. Delayed Procurement hinders achievement of efficiency in implementation of procurement and result not attainment of value for money.</p>

Parastatal	Key Issues
TIE	<p>Significant Delay in Delivery and failure to charge Liquidated damages for the contract worth TZS 1.489 billion</p> <p>The review of contract No. PA/070/2022/2023/G/08 for Printing and supply of secondary school's textbooks (form I to VI) indicated that goods were delayed for 106 days. Also, upon auditing the contract, it was discovered that there was no documented evidence of letters or written follow-up from TIE reminding the suppliers to adhere to the terms and conditions outlined in the signed contract. Furthermore, the supplier, M/s. CI Group Ltd., was paid the full contract price of TZS 1,489,222,500.00 while some items was not delivered which amounts to TZS 122,514,731.72.</p>
TPDC	<p>Unreasonable Cancellation of Awarded Contract worth TZS 685.869 million at</p> <p>During review of tender No. PA/031/2022-23/W/15 for Engineering, Procurement and Construction for natural gas distribution network to DUCE and Mlimani City kitchens, it was observed that the contract was awarded to M/s. GASCO Limited but after two months the award was cancelled and TPDC re-advertised the tender. According to the records of online tender opening all submitted bids in the re-advertised tender have higher prices compared to the initial contract value awarded to GASCO Limited. The cancellation of the award has resulted in several adverse consequences, including additional costs for the re-tendering process, delays in delivering services to beneficiaries (DUCE and Mlimani City), bid prices for the re-tendering being higher than the previous contract price, and the risk of losing public funds due to budget overruns. Moreover, the cancellation has also postponed the anticipated income generation for TPDC.</p>
TPA	<p>Double payments due to inclusion of the identical activities in two contracts amounting to TZS 714.80 million</p> <p>The review of the consultant's progress report for Contract No. AE/016/2019-2020/HQ/C/10 for consultancy services related to the development of the dry port at Kwala Dry Port, Ruvu-Coast Region., it was noted that TPA entered into another contract, Contract No. AE/016/2022-23/HQ/C/11, with the same consultant, covering nearly the same scope of work. The audit revealed that this duplication may lead to double payments for works already executed in the previous contract, raising concerns about potential misappropriation of public funds and resource inefficiencies</p> <p>Inappropriate use of the Single Source Method amounting to TZS 161.650 billion</p> <p>The audit of the procurement process for the acquisition of goods and services in twenty-one (21) tenders revealed that the Tanzania Ports Authority (TPA) had opted to use the single-source method with weak justifications. The decision resulted in significant cost overruns, as various works, goods, and services were procured at abnormally higher prices than the approved budget. The weak justifications for using the single-source method and the absence of competitive bidding from other potential suppliers raised concerns about inflated prices and missed opportunities for cost savings</p> <p>Providing consultancy services without being registered for contracts worth TZS 129.35 billion</p> <p>During the audit of eleven (11) works contracts, it was observed that eight (8) contracts were under the Consultancy of Directorate of Engineering Services. However, it was found that TPA has neither been registered as an architectural or quantity surveying firm nor recognized as a Consulting Engineering firm by the relevant regulatory boards (i.e., the Architects and Quantity Surveyors Board and the Engineers Registration Board).</p>
TPC	<p>Undelivered goods worth TZS 1.035 billion and failure to impose liquidated damages</p> <p>The audit of contract for supply of nine (9) vehicles worth TZS 1,035,472,003.00 revealed that, the vehicles were not delivered within the stipulated delivery terms and conditions of contract. Despite, TPC extending the delivery time multiple times but the supplier failed to deliver motor vehicles. However, TPC did not take any action against the supplier, such as imposing liquidated damages or terminating the contract. Failure to comply with delivery terms and condition may result in government money loss and failure to meet intended strategic objectives.</p>
TRC	<p>Slow Progress in implementation of contract worth TZS 3.061 billion</p> <p>The Audit observed that the actual implementation of the contract No. PA/154/2020-2021/W/01 Lot 1 for Design and Build for an electrified Standard Gauge Railway (SGR) line from Mwanza to Isaka worth TZS 3,061,912,459,746.84 was slow as compared to planned project implementation schedule. The physical progress was at 36%, while the time elapsed was 71%.</p> <p>Delays in Procurement Process for tenders with estimated value of TZS 7.054 trillion</p> <p>The review of procurement process of eight tenders indicated that, there were excessive delays to a maximum of 396 days from submission of requisition from User department to the time of contract signing. This delay beyond the bid validity period may attract cost variation.</p> <p>Poor Quality Workmanship on Contract worth TZS 446.134 million</p> <p>During the site visit on Contract No. BPA/154/HQ/2021-22/W/16WB for Construction of Track Recording Car Shed and Data Centre Building worth TZS 446,134,340.62 it was observed that the external works were not executed to the quality as specified in the Conditions of Contract, these included items of filling of gravel material, grading to falls and cross falls, compaction, paving around the Car Shed, laying and fixing of curb stone and disposal of rain water. Furthermore, several new cracks were observed to develop on the walls of the Car Shed Building.</p> <p>Non-Compliance on Corporate Social Responsibilities of amount TZS 1.2 billion</p> <p>Record of Negotiations (RoN) of 14th-18th December 2020 item number 17. The contractor agreed to set aside TZS 1.2 billion for Corporate Social Responsibilities (CSR). The expenditures of which was to be upon Employers' instructions through the Engineer. The contractor submitted to the Employer requests from regions for financial support under Corporate Social Responsibilities. The Team observed that up to the end of July 2023 where more than 70% of the contract time elapsed no single project was started under CSR.</p>

Parastatal	Key Issues
Mirembe National Mental Health Hospital	<p>Procurement of building materials worth TZS 848.026 million were made without contracts During the review of min competition process and payment details for the supply of building materials for contract No. ME/007/2021-2022/HQ/W/26 and ME/007/2021-2022/HQ/W/70, it was observed that, MNMH procured and make payments to two (2) service providers amounting to TZS 848,026,498.66 without signed contracts/LPOs. Procurements made without contracts are non-enforceable by the law in case of default</p> <p>Payments of TZS 907.7 million were made to service providers without demanding Electronic Fiscal Receipt (EFD) During the audit, it was observed that a total of TZS 907,720,410.00 for 15-contracts was made to service providers without attachment of EFD receipts. Failure to demand for EFD receipts results to loss of Government revenues.</p> <p>Contract value amounting to TZS 588.123 million were made to service providers prior to the completion of contract During the review of contract documents and payment details for Supply, installation, commissioning, training and maintenance of ICU, EMD and Laboratory equipment observed that, service providers were paid full payments of contract value amounting to TZS 588,123,875.00 though there were pending assignments for installation, testing, commissioning and training. Making payments before the operationalization and acceptance of supplied goods exposes Mirembe Mental Health Hospital to the risk of non-compliance with specifications. This can lead to inconveniences and potentially result in additional costs to facilitate pending assignments.</p>
SUA	<p>Unfair evaluation resulting into loss of TZS. 29.361 million During the review of evaluation report for tender No. PA/012/WB-HEET-P166415/313383/G/RFB/02 Lot I & II for Supply, Installation, Testing, Training and Commissioning of Assorted equipment for the University showed that, the lowest bidders for both lots were unfairly disqualified. PUMA Logistics submitted the bid for Lot 1 at the cost of USD 669,855.00 (equivalent to TZS 1,540,666,500.00) declared non-responsive for not submitting duly filled and signed manufacturer's authorization. However, the review on TANEPS indicates the bidder had submitted the manufacturer's authorization duly filled. Failure to recognize this, the evaluation awarded contract to M/s JIANGSU LONGSHENG Machine Manufacturing Co. Ltd at TZS. 1,570,028,328.00. If the evaluation was fairly conducted, TZS. 29,361,828.00 could have saved. Unfair evaluation results into loss of public funds and unfair value for money.</p> <p>Inefficiency use of procurement method resulting into excessive delay by 210 days During the review of tender No. PA/012/2022-2023/HQ/W/29 Re-Advertised for the construction of one health SACIDS biomedical laboratory building phase I at Edward Moringe campus amounting to TZS. 1,520,000,000.00, the project was initially planned to be procured through the NCT (National Competitive Tendering) method. However, the PMU advised the management to change the method of procurement to RNCT (Restricted National Competitive Tendering) without providing reasonable justification for the change. As a result of using the RNCT method, the Procuring Entity (PE) faced challenges in obtaining responsive bids from qualified bidders because none of the shortlisted bidders met the required qualifications. Due to this setback, PMU decided to revert back to the original NCT method and continue with the procurement process. However, this change of procurement methods and the subsequent delay in obtaining qualified bids resulted in a delay of the procurement process by 7 months.</p> <p>Payments made to unrendered services for tender worth TZS 288.09 million In the review of tender No. PA/012/2022-2023/HQ/NCS/08 (LOT I-VIII) for provision of cleaning services it was revealed that, payments made to service providers do not correspond to the actual work executed as required by the contract. The service providers do not adhere to the requirements of the contract especially on the number of workers to be at site on daily basis. For example, tender No. PA/012/2022-2023/HQ/NCS/08 Lot VIII; the number of workers to be deployed at site</p>
STAMICO	<p>Payments without AO's Approval amounting to TZS 5.117 billion During the Audit it was observed that, a total payment of TZS 5,117,851,664.34 for 47-tenders were made to Suppliers of various delivered chemicals and explosives without Accounting Office's approval. Effecting unauthorized payment causes loss and embezzlement of public funds.</p> <p>Procurement worth TZS 5.896 billion were implemented without conducting Tendering Process The Audit observed that, some transactions for acquiring of chemicals and explosives with value of TZS 5,896,205,603.34 were achieved without conducting procurement process. Engaging Suppliers without procurement process render such procurement null and void and may lead to collision in soliciting appropriate vendors.</p>
ATCL	<p>Poor quality of the executed works During the site visit conducted for implementation of the contract No. PA/100/2021-2022/HQ/W/03 for rehabilitation of 38 houses located at Kilimanjaro International Airport worth TZS 5,377,379,976.00, it was noted that, in the aspect of the roofing, the fascia board was observed to have no proper alignment due to the use of timbers containing multiple bends and develop an irregular shape compromising the quality of the executed work; and also it was noted that, the contractor used untreated timber in carrying out the roofing works contrary to the requirements of the BOQ.</p> <p>Failure to comply with the Government Building standards may cause loss to the Government in case the building infrastructure collapse due to failure to meet the required recommended standards. The use of untreated timber may lead into decrease of life span of timber by make timber to be easily attacked by insect sides, microorganism and other fungi.</p>

Parastatal	Key Issues
NSSF	<p>Double payment of TZS. 1.14 billion to M/s. Atlas Plumbers and Builders Ltd</p> <p>During the audit carried out at NSSF, it was observed that, M/s. Atlas Plumbers and Builders Limited was paid for the work which was already executed by M/s. Jandu Construction and Plumbers Limited during the execution of the same project for plumbing and finishing balance works at Mzizima NSSF Project. The contract between M/s. Jandu Construction and Plumbers Limited and NSSF was terminated due to failure to carry the contractual obligations in compliance with the contract requirements. However, it came to the auditors' knowledge that, while preparing the new BOQ for engaging another sub-contractor by the project consultant, most of the quantities which were already executed by M/s. Jandu Construction and Plumbers were not omitted in the revised BOQ and some of the remaining works were exaggerated as compared to the actual remained quantities.</p> <p>Unfair evaluation for the bids which leads into the loss of TZS 351 million</p> <p>During the Audit conducted at NSSF it was noted that bidders namely M/s. Hitaji Company Limited was disqualified before reaching the financial evaluation stage. The reason stated was failure to submit the academic certificates for site foreman and technician. The auditors have considered these reasons prescribed as the minor deviation pursuant to the requirement of Reg. 207 (2) (b) of PPR, 2013 (as amended).</p> <p>The reasons provided could not materially alter or depart from the characteristics, terms, conditions and other requirements set forth in the solicitation documents. NSSF could demand the certificates to be submitted during the negotiation in case the bidder could be considered for the award of contract. Through the bids submitted, M/s. Hitaji Company Limited worth TZS 5,799,070,000.00 while M/s. Atlas had a bid price of TZS 6,150,812,000.00 which was the final read out price after computation of arithmetic errors. If consideration for minor deviation could have been applied by NSSF for the purpose of enhancing competitive environment, benefits could be achieved through having a saving amounting to TZS 351,000,000.00 by awarding the contract to M/s. Hitaji Company Limited.</p>
HESLB	<p>Unfair evaluation which leads into the loss of TZS 3.06 billion</p> <p>During the review conducted at HESLB, it was noted that two (2) Bidders M/s. Group Six International Ltd and M/s. Nandhra Engineering and Construction Company Limited were eliminated during preliminary stage with the reasons that, they did not attach Anti-Bribery policy and Certificate for Registration. However, the said documents were attached and available in TANePS. Moreover, Section V of tendering document required bidders to submit anti-bribery pledge for tenderer only while in TANePS there was additional criteria which required the bidders to submit anti-bribery pledge for both main contractor and subcontractors, hence this contravened section V of tendering document. It was observed that, the criteria which required the bidders to submit anti-bribery pledge for both main contractor and subcontractors used to eliminate bidder No. 02 and 03, and left bidder No. 01 M/s. CRJE (East Africa) Ltd, who proceeded to technical and financial evaluation and finally awarded the contract at TZS 31,954,926,498.07 VAT Incl. after negotiation. The audit noted that, if there could be consistency between the evaluation criteria in TANePS and tendering document, and that the evaluation be performed fairly, bidder No. 03 who bid at TZS. 28,888,653,618.68 VAT Incl., could be awarded contract and hence the PE save TZS. 3,066,272,870.39 (prior to negotiation).</p>

CHAPTER FOUR INVESTIGATIONS AND SPECIAL AUDIT

This chapter contains investigation and special audits carried out by the Authority for the financial year 2022/23 in line with the requirements of Section 10 of the PPA (CAP. 410 R.E 2022). The chapter summarises key issues and recommendations issued to PEs which were investigated

4.1 Audit Scope

The investigations were conducted in 10 PEs namely Prisons Services Department; Prisons Corporation Sole (PCS); Medical Stores Department (MSD); Ministry of Defence and National Service (Vote 57); Ruvuma Region (Songea Municipal, Madaba District, Namtumbo District and Songea District); Tanzania Ports Authority (TPA); Tanzania Electric Supply Company Limited (TANESCO); Institute of Accountancy Arusha (IAA) Tanzania Rural Urban Roads Agency (TARURA); and Dar es Salaam City Council (DCC). Also, during the financial year 2022/23, the Authority conducted special audit for two projects implemented by Nelson Mandela African Institution of Science and Technology (NM-AIST) and Tanzania Shipping Agencies Corporation (TASAC) for WISE Futures and CREATES FNS and Multinational Lake Victoria Maritime Communication Project (MLVMCT) respectively.

4.2 Losses and Savings

The investigation conducted for 10 PEs during the financial year 2022/23 revealed a total loss of TZS 8.77 billion suffered by the Government on different stages of procurement process, out of which TZS 3.19 billion were at bidding evaluation and awarding while TZS 5.58 billion were at the stage of contract management. The Authority noted that, the observed losses were caused by selection of high price bidders due to unfair disqualification of the lowest bidders; abandonment of initial works executed by terminated contractor; payment for undelivered goods and unexecuted works; overpayment on construction works; non-recovery of advance payments; payment without deducting discount given on contracts; and loss due to submission of forged EFD receipts.

Further, the Authority made a direct saving of public funds amounting to TZS 523.13 million due to investigations conducted whereby TZS 233.37 million was an amount recovered from suppliers on overpayment and TZS 289.76 million was VAT amount on EFD receipts issued by suppliers during the investigation process. Further, the Authority made a direct saving of USD 750,000 (TZS 1.88 billion) through debarment investigation that Amandi Holding Limited did not complete the procurement Contract with TPA and, therefore, is not entitled to be paid the claimed amount.

4.3 Investigation Findings

4.3.1 Medical Stores Department (MSD)

a) Loss of TZS 3.01 billion Incurred due to Mis-handling of Framework Agreement

A review of five framework agreements observed that 75 items (medicines and medical supplies) with different prices were found in two or more agreements. Out of 75 items found in more than one contract, 57 items were procured from the suppliers with higher prices than others. It was also revealed that the suppliers with the highest prices for particular items were given large orders than supplier with lowest prices causing a loss of TZS 3.01 billion. MSD could have saved the lost amount if call-off orders were issued to the suppliers with lowest prices.

The Authority recommendations were issued and the PE's implementation action plan was submitted. The PE is in the process of digitalisation of its procurement process to address the identified weaknesses

b) Change of Price of TZS 102.74 million by Negotiation Committee contrary to Evaluation report

The review of negotiations minutes and evaluation report observed that price used during negotiation was higher than the price reported in the evaluation report by TZS 102.74 million. It was revealed that negotiation team changed the price in favour of the supplier (Sciex Limited). The change was made by increasing Next Sequence 550 system price from TZS 898.15 million to TZS 1 billion during negotiations and initial the bid price for Next Sequence 500/550 High output from TZS 17.11 million to TZS 18.00 million. Further, we observed that second summary of award of evaluation report was signed by three members of negotiation team out of five who changed the prices from first evaluation report. Based on the observed weaknesses, the Authority issued recommendations to address

the audit findings. The PE's implementation action plan was submitted which included appropriate measures to be taken against implicated staff.

c) Submission of bids worth TZS 119.08 billion through staff emails

The review of tenders submitted by bidders noted that seven tenders worth TZS 119.08 billion implemented through restricted tendering and single source tendering methods were procured outside TANEPS. It was discerned further that the invited bidders were required to submit their bids through emails of PMU officials contrary to Regulations 195 and 196 of the PPR, 2013 (as amended). The Authority concluded that receipt of tenders through staff emails compromised the integrity of the process and contravened fundamental principles of transparency and fairness in public procurement. The Authority recommended the report to be issued to relevant authority for more action. The PE implementation action plan submitted highlighted measure undertaken to address the observed weakness including not to use staff email for bid submission.

d) Loss of TZS 102.83 caused by failure to meet Health Facilities' orders

Review of loss sale report for the period noted 3,014 normal and sellable items worth TZS 106.76 billion were requested by health facilities but only 881 items (29%) amounting TZS 3.93 billion (3.7%) was invoiced to health commodities, the remaining 2,133 items (71%) was not served due to out of stock and rationing of low stock availability. The fulfil rate of 29% and loss of TZS 102.83 billion was unsatisfactory to the performance of the MSD on requisition from the customers which significant impact service delivered to the health facilities.

The Authority recommended the PE to procure health commodities according to requisitions from health facilities and establish evaluation mechanism to assess fulfilment rate of customers' orders. The PE is in the process of enhancing its supply chain data analytics capabilities to limit reliance on one source of annual demand forecasts data.

e) Tender Awarded with Higher Price Adjustment worth TZS 34.9 million

Review of the evaluation report of tender no. IE-009/2021-2022/HQ/G/47 in Lot 7 observed that Encore Medics Limited was recommended as lowest evaluated bidder for TZS 35.64 million subject to price negotiation whereby Flat Iron Industry item in the Lot in tender submitted for the Lot had bid amount of TZS 0.13 million. Review of negotiation minutes observed that the meeting was conducted and the price was changed to TZS 35 million, the price was changed by negotiation team by TZS 34.86 million contrary to instructions to tenderers in tender document. The Authority recommended the PE to take appropriate action to responsible staff and provide training to PMU staff on tenders' evaluation. The PEs accepted the recommendation.

f) Expiry of Medicine worth TZS 6.92 billion

The Authority reviewed medicine expires report for the period starting from 1 July 2021 to 31 October 2022 to assess the MSD efficiency in production, procurement, storage and distribution of health commodities to health facilities as requested. The analysis of normal and sellable items and vertical programme items expired during the period, noted that 2.30 million total quantities of items expired. Out of those, 1.42 million quantities of items worth TZS 6.92 billion were normal and sellable while 0.88 million quantities of items were under vertical programmes with no value as were donated items.

The Authority recommended the PE to ensure medicines and medical supplies are procured according to the requisitions; and Inspection and receiving consider shelf life and expiry date on health commodities. The PE is planning to restructure Customer Services Unit and Zone offices, also to establish Contract Compliance Unit to monitor and report on the attended requisitions.

4.3.2 Prisons Services Department (PSD)

a) Procurement of Goods and Services worth TZS 5.07 billion without requesting EFD receipts

The investigation revealed that, 42 payment transactions for procurement of goods worth TZS 5.07 billion were made without requesting fiscal receipts or fiscal invoices from supplier's contrary to Section 36 (1) of the Tax Administration Act, CAP 438. The cited provision requires a person who supplies goods, renders services or receives payment in respect of goods supplied or services rendered to issue fiscal receipt or fiscal invoice by using electronic fiscal device. The act of not requesting fiscal receipts or fiscal invoices caused the Government to lose

collection of Value Added Tax (VAT) amounting to TZS 773.52 million which would have been obtained from sales made by those suppliers. The Authority recommended the PE to take appropriate action to responsible staff and to submit to TRA the list of transactions paid without EFD receipts.

b) Advance Payment of TZS 1.58 Made for Undelivered equipment TZS 1.58 billion

The Authority observed that, in the contract signed on 29 June, 2021 with M/s High Winds Tanzania Co. Ltd for supply of 1 Excavator, 1 Backhoe Loader, 1 Truck Mounted Drill Ring and 6 Tractors of worth TZS 2.26 billion, 90 days were given to the supplier as a maximum delivery period. However, until 3 November, 2022 when the Authority was conducting investigation, no equipment had been delivered by the supplier. The investigation concluded that failure of PSD to manage contract, poses risk to the Government not to attain the Value for Money. The Authority directed PSD to recover from supplier the advance amount paid and initiate debarment proceedings.

c) Procurement of used vehicles for the price of brand-new worth TZS 440 million

Review of tender No. ME 014/2020/2021/PR/G/26 for supply of brand new 5 TATA Tipper Trucks 10 tons, the Authority observed that the report of the Inspection and Acceptance Committee indicated three (3) vehicles were having defaults which included odometer reading above 2156.3km. Upon request of advice from TEMESA regarding the conditions of the vehicles, it was advised the PE not to receive the vehicles as brand new rather to register as used. However, four (4) units were received and TZS 110 million a price for a new truck were paid for each unit. The PE ignored the advised from TEMESA and price was as for new vehicles. The Authority recommended the appropriate action to be taken staff responsible for causing loss to the Government.

d) Forgery of Acceptance Certificates worth TZS 1.08 billion

The Authority revealed that Inspection and Acceptance reports were forged as the Inspection and Acceptance Committee denied preparing them. It was further noted that the purported signatures of the members of the Committee were signed by a same person implying that inspections on goods received were not conducted which raised a doubt as whether goods were delivered. The Authority recommends that PE to take appropriate action against staff responsible.

e) Procurement of Goods and Services worth TZS 2.63 billion Without Formal Contracts

The Authority observed that procurement of 17 tenders worth TZS 2.63 billion were executed without formal contracts with the supplier's contrary to Reg. 233 (1) of PPR 2013 (as amended). The absence of formal contracts with the suppliers which defined the terms and conditions, have impaired the possibility of the Authority to assess Value for Money for procured goods. The Authority recommends PE to take appropriate actions to be taken against staff responsible for execution of procurements without formal contracts with the suppliers.

f) Collusion in Tendering Process in Contracts Worth TZS 301.86 million

The Authority observed that, three companies were invited repetitively to participate in six tenders through quotations of which two companies were closely related. The investigation confirmed that their conduct amounted to collusion and defeated competition in tendering process. The Authority recommends to PE to initiate debarment proceedings against the two companies.

g) Payment to supplier for Undelivered Goods worth TZS 390.50 million

During investigation, the Authority revealed a total of TZS 994.57 million was paid to M/s Deaver PVC Investment Co. Ltd for supply of food to Kiwira Prison College from January to June, 2022. However, according to Prison's dietary scale, the quantity of food for each item purchased exceeded the required quantity of TZS 604.07 million needed for 700 new recruits and 75 instructors who attended the courses.

Further, the excess balances of food items which ought to have been found in the store were not available during physical verification made at Kiwira Prisons College on 1st November, 2022. The investigation team was informed by storekeeper, that orders from Superiors directed them to record more quantities than the actual quantities received at the college. The conduct caused a loss of TZS 390.50 million due to overpayment made to the supplier. The Authority recommended to the Appointing authority to take appropriate action to the responsible Officer who issued the order.

h) Forgery of GPSA Framework Agreement

During the investigation, the Authority revealed a forged copy of framework agreement with reference No.00680091 submitted by a supplier (M/s Deaver PVC Company Ltd). Upon submission, the supplier was awarded a tender for supply of food to Kiwira Prisons College. However, Investigation revealed that the framework agreement was dated 6 May, 2021 before the date of the issuance of a company certificate of incorporation 15 December, 2021. Further, upon confirmation on the validity of the submitted framework agreement, GPSA confirmed that the same was not issued by the Agency.

The Authority recommended the PE to initiate proceedings for debarment of the supplier as per Section 62 (3) of the PPA, CAP.410 R.E 2022 due to fraudulent practices in the tender process and also submit the allegedly forged framework agreement to the competent authority for further action.

i) Award of 42 Tenders Worth TZS 11.22 billion to Three Companies owned by the same shareholders

During investigation, the Authority made assessment on the ownership and existing relationship between the companies awarded tenders during the financial year of 2020/21 and 2021/22 by PE. It was revealed that, three (3) companies M/s Dacady Investment Co. Ltd, M/s High Winds Tanzania Co. Ltd and M/s Deaver PVC Investment Co. Ltd were owned and managed by similar shareholders. Further, the authority noted out of 75 sampled tenders worth TZS 18.86 billion awarded in the financial year 2020/21 and 2021/22, 42 tenders worth TZS 11.22 billion were given to said three (3) companies with similar shareholders. The Authority recommended the PE to ensure Companies owned by same shareholders are not invited to participate in the same tender process.

4.3.3 Prison Corporation Sole (PCS)**a) Loss of TZS 110.21 million due to unexecuted works and undelivered goods**

The investigation noted the construction works and materials which were procured from Prisons Service Department amounting to TZS 65.50 million were not executed or delivered by the supplier. Further the Authority observed that, construction materials and works activities worth TZS 44.71 million were paid without evidences that if they were actually executed or delivered by M/s Dacady Investment Co. Ltd which resulted to a loss of the public funds amounting to TZS 110.21 million. The recommendation was issued to PCS to take appropriate actions to the responsible staff for the loss.

b) Misuse of Public Funds for Repair and Maintenance of Motor Vehicle in a Private Garage TZS 50.60 million

The Investigation noted one motor vehicle no. MT. 0383 was taken to the private garage (M/S Dacady Investment Co. Ltd) for repair and maintenance costing TZS 103.14 million without approval of TEMESA. The estimated cost for repair from TEMESA for motor vehicles was TZS 52.54 million. However, the PE incurred additional cost of TZS 50.60 million in private garage that could be avoided if the same had been repaired by TEMESA. The PE's conduct contravened Regulation 137 (2) (a) of the Public Procurement Regulations, 2013 which requires Government motor vehicles to be repaired by TEMESA. The Authority recommended to PE to take appropriate action against the responsible staff.

c) Procurement of Goods and Services Worth TZS 2.11 billion Without requesting EFD receipts

The review on the payments revealed that, 84 transactions of procurement of goods and services worth TZS 2.11 billion were remitted to suppliers without requesting fiscal receipts or fiscal invoices contrary to Section 36 (1) of the Tax Administration Act. The provision requires a person who supplies goods, renders services or receives payment in respect of goods supplied or services rendered to issue EFD receipt. Non – requisition of EFD receipts from suppliers cause a loss to the Government, The Authority recommended PE to take appropriate actions against the responsible officers and also ensure receipts are collected when payment are made.

a) Loss of TZS 921.34 million Incurred due to Termination of Initial Construction Contract

The Investigation revealed existence of the first contract for the construction of the Mbuchi bridge between the Kibiti District Council and Sinani Building Contractors Ltd. However, the contract was terminated on 15 October, 2019 due to the Contractor's failure to meet the contractual requirements. During termination period, the contractor had already been paid TZS 921.34 million as costs for executed works and advance payment of TZS 238.35 million. It was noted that the paid sum, including advance payment, was not recovered from the initial Contractor. Further, the Authority observed that the second contract entered between TARURA and Alpha Logistics (T) Ltd on the same project did not utilise the initial works done by Sinani Building Contractors Ltd. As a result, thereof, the Government incurred a loss of TZS 921.34 million.

The Authority recommended the PE to initiate debarment proceedings upon settlement of the contractual dispute with the Contractor. The PE should also ensure the recovery of the advance payment of TZS 238.35 million not deducted from Sinani Building Contractors Ltd.

b) Payment of TZS 44.20 million Made for Work not Performed

The review of the implementation of Contract No.AE/092/2019/2020/HQ/CR/12 between TARURA and M/s Acrow Global Limited for the purchase of bridge components (Mabey Bridge Parts) revealed that, the Contractor was paid TZS. 44.20 million (GBP 16,200) as a consultant fee for installation of bridge bed components. However, the Authority revealed that by the time of installation bridge installation, the contractors was not engaged due to outbreak of COVID-19 pandemic. The Authority recommended to the PE to recovery consultancy fees of TZS 44.20 million (GBP 16,200) paid to M/s Acrow Global Limited.

c) Overpayment of TZS 152.51 made to contractor

During investigation the Authority noted that, Alpha Logistics (T) Ltd was paid TZS 480.69 million and TZS 30.06 million for construction of 3,606 cubic meters and 311.2 square meters respectively. The payment was made in respect of six (6) sections of the Bills of Quantity (BoQ) being construction of stone pitching; arrangement of stones around the pillars of a bridge; removal of existing causeway; foundation excavation for bridge piers; common excavation; and backfilling of soil around bridge piers. However, after re-measurement of the actual work, the Authority identified the actual costs were TZS 341.09 million and TZS 17.14 million for construction of 2,240 cubicmeters and 177 square meters respectively. It was therefore determined that the contractor was overpaid by TZS 152.51 million. The Authority recommended to the PE to ensure the excess amount of TZS 152.51 million paid to contractor is recovered from retention money before commissioning of the project.

d) Abnormal Rental Costs for Residential and Office Space ZS 129.68 million

The Authority reviewed the negotiation plan for the construction of the Mbuchi Bridge and noted that the Contractor did not agree to reduce the rental costs instead requested the PE to find a suitable accommodation for them if they found the billed costs was higher. However, the Tender Board did not act on the advice of the negotiation team which resulted to a total payment of TZS 129.68 million to a consultant equivalent to a monthly rental amount of TZS 8.31 million and TZS 0.80 million for office space and residential unit respectively. After site visits, the Authority revealed, the amount paid was higher compared to the rental contracts which had an average of TZS 0.39 million for officespace and TZS 0.46 million for residential unit. Due to this failure, TARURA incurred loss amounting to TZS103.40million. The Authority recommended the PE to take appropriate actions against those who failed to adhere to the recommendation outlined in the negotiation plan.

4.3.5 Tanzania Ports Authority (TPA)**a) Contracts worth USD 6.341 million signed without being Vetted by Attorney General**

During investigation, the authority revealed that procurement contract worth USD 6.341 million for installation of Integrated Security System, were entered between TPA and Amandi Holding Limited. However, the contract was not submitted to the Attorney General for vetting contrary to the requirement of Regulation. 59 (1)(a) of PPR 2013 as

amended. The recommendation issued to the PE was implemented whereby appropriate actions were taken against responsible staff.

b) Inadequate contract management due to non-engagement of a consultant

The Authority revealed that, the TPA need for engaging a consultant to attain adequacy management of the contract, however, without assessing the capacity of the Information Technology department to oversee the project implementation of the project, the PE decided to cancelled the procurement process of a project consultant. However, after four months, the IT Department informed the Management that it lacked the expertise and experience to effectively manage the project implementation. The recommendation was issued to PE and have already implemented where appropriate actions were taken to staff responsible.

c) Loss of TZS 1.88 billion Incurred due to Contractor deficiency

The Authority reviewed PE documents on the construction of the Integrated Security System (ISS) at the Port of Dar es Salaam and Headquarters Building, and noted deficiencies These include non-functioning of the installed devices such as Optical Container Recognition System-OCR and Systems like Vehicle Registration Number Recognition System and Security Guard Management System. Further it was observed that the Contractor installed eight desktop computers instead of 8 servers.

The investigation revealed further that the installation equipment was less delivered out of paid equipment. Due to this, the PE incurred a loss of USD 1.117 million (TZS 1.88 billion) which resulted from payments for undelivered items and other items that did not meet required specifications. The Authority recommended the PE to ensure recovery of the amount of loss from the Contractor.

d) Receipt of equipment without inspection and acceptance of systems without testing

During investigation, the audit noted that PE received goods without conducting inspections and accepted the installed systems without performing the testing contrary to the Clauses 26 and 27 of the General Conditions of the Contract for construction of the Integrated Security System (ISS) at the Port of Dar es Salaam and Headquarters Building. The Authority recommended the PE to ensure, inspections and acceptance tests are conducted on all goods and systems procured before acceptance.

4.3.6 Ministry of Defence and National Services (Vote 57)

a) Procurement of 10 motor vehicles worth TZS 2.40 billion without preparation of tender documents

Review of the minutes of the Tender Board during investigation, the Authority revealed that, the Tender Board approved the use of single source on procurement of nine (9) motor vehicles out of 10 procured worth TZS 2.40 billion which were supposed to be given to the Retired Generals. However tender documents were not prepared for the 10 procured motor vehicles contrary to Section 33(c) of PPA CAP 410 (R.E 2022) which requires approval on the tendering and contract documents. The PE was recommended to take appropriate action against the responsible staff for failure to prepare tender documents and submit to the Tender Board.

b) Excess amount due to tax exemptions was not claimed from the supplier TZS 247 million

During investigation, the Authority revealed that, the PE paid an amount of TZS 2.79 billion for acquisitions of 10 motor vehicles which were supposed to be given to the Retired Generals, the cost was based on the Proforma Invoice submitted by the supplier then after the motor vehicles delivered and accepted, the supplier issued a memorandum invoice that the procuring entity used to lodge exemptions for customs duties, which reduced the initial costs to TZS 2.54 billion lower by TZS 247 million compared to the original cost. However, the excess amount was not claimed by the PE instead used against the repair and maintenance of the old motor vehicles belong to the PE without budget virement which cause remained balance as at 20 December, 2022 to be TZS 218.12 million. The PE was recommended to take appropriate action against those responsible

4.3.7 Institute of Accountancy Arusha (IAA)

a) Contract price did Not take into consideration reduced price in negotiation by TZS 12.12 million

Review of contract No. PA/017/HQ/2020-21/W/48 LOT 2, 3, & 4 for supply of building materials for construction of Postgraduate Building Main Campus under framework contract between Institute and Bulk Distributors Ltd with contract sum of TZS 545.22 million noted that the contract unit price for marine board was TZS 45,000 which differ with negotiated price of TZS 44,000 therefore, the signed contracted price was overstated by TZS 12.12 million. The recommendation was issued to PE to ensure contracts are properly managed to avoid overpayment.

b) Drawings used for construction were not approved by Structural Consulting Engineer

The drawings used for supervising the construction of Hostels and Postgraduate Building at the Main campus and Babati were drafted and endorsed by a Professional Engineer, however, lacked verification and approval from a Structural Consulting Engineer contrary to Regulation 63 (2) and (3) of the Engineers Registration Regulations 2010. The oversight implies the potential execution of the project with inadequately reviewed designs, posing risks of structural instability leading to building failure or unnecessary project costs due to excessive design of elements. The Authority recommended to PE to engage Consulting Engineer to review all the designs and drawings to determine their adequacy and provide appropriate recommendation.

4.3.8 Tanzania Electric Supply Company (TANESCO)

a) The procurement process took a long time, resulting in cost escalation by TZS 2.9 billion

The investigation revealed that the tender process for Tender No. PA/001/2017-18/HQ/W/18 for the Major overhaul of turbine system unit G3 at Kihansi Hydro Power Plant took 1,277 days (3.5 years), contrary to the requirements of Regulation 191(3) of the Public Procurement Regulations, 2013 and its amendments. The prolonged tender process resulted in a cost increase of Euro 0.9971 million from Euro 0.8829 million to Euro 1.880 million when it was re-announced for the third time. It was 113 percent increase in costs compared to the initial bid if it had been completed in the first instance. The challenge of the prolonged process was attributed to the lack of robust budget planning and confusion regarding the start and completion dates of the contract.

Further, The investigation revealed that the tender process for Tender No. PA/001/2017-18/HQ/G/83 Lot I and II for the Supply, Installation, Testing, and Commissioning of Gas Meters at Ubungo I and II; Tegeta; Kinyerezi I and II; and Somanga Gas Stations took more than two years due to the negligence of the User Department in preparing technical specifications resulted in four extensions of the final bid submission date which significant delays in the tender process, the extension of final bid submission has no approval from the Tender Board. The recommendations were issued to TANESCO to take appropriate action for staff responsible for the for delaying the implementation of the contract due to the failure to oversee the preparation of technical specifications, resulting in cost escalation.

b) Delay in Commencement of Contract

The investigation revealed that TANESCO and M/s Rainpower Norge AS signed Contract No. PA/001/2017-18/HQ/W/18 which involved the Major overhaul of turbine system unit G3 at Kihansi Hydro Power Plant. However, the project implementation had not yet commenced, with a delay of 20 months contrary to the contractual provisions that specified a timeframe of 120 days for implementation. Despite the project implementation delay, the investigation noted that M/s Rainpower Norge AS was paid an Advance Payment of Euro 0.1854 million.

The recommendations were issued to TANESCO to take appropriate action to staff responsible for failing to oversee and monitor the implementation of the contract and to consider the possibility of terminating the contract and request the contractor to refund the funds already paid Euro 0.1854 million.

c) Approval of the procurement process for Tenders before confirming the existence of a budget

The investigation revealed that the procurement process for Tender No. PA/001/2019-20/HQ/G/64 for supply of Batteries for sixteen (16) Optical Fiber Stations, was not allocated a budget and contract was signed for a value of TZS 780.97 million, without a budget allocated for the financial year, contrary to the provisions of Regulation 69(7) of the Public Procurement Regulations, 2013 and its amendments.

Further, Investigation noted that there was insufficient budget allocated to implement Contract No. PA/001/2017-18/HQ/W/18, which involved the Major overhaul of turbine system unit G3 at Kihansi Hydro Power Plant. The Accounting Department confirmed the availability of TZS 323.89 million for the implementation of the tender. However, the amount was insufficient compared to the estimated project cost of TZS 3.5 billion. Nevertheless, the

contract value was Euro 1.8535 million (TZS 4.65 billion) was signed, contrary to Regulation 69(7) of the Public Procurement Regulations, 2013 and its amendments. The Authority recommended TANESCO allocate a sufficient budget for contract implementation in order to complete the contracts on time also to provide training to the staff of the User Department, Planning Officers, and PMU on budgeting and the preparation of Annual Procurement Plans.

d) Initiating the Procurement Process Before Conducting Detailed Survey Caused Increase in Cost of TZS 697.82 million

The investigation revealed that during the implementation of Contract No. PA/001/2020-21/HQ/G/134, Lot 2 for the supply of distribution line materials for the construction of a 33KV Double Circuit Distribution Line from Gongo la Mbotu substation to JNHPP, there was an identified increase in the length of the route by 8.7 km, which necessitated the need for additional materials (including wire and conductors). This increase resulted in the signing of variation Contract, which included a cost increase of TZS 697.82 million. Therefore, the cost increase was due to TANESCO providing cost estimates without conducting a detailed survey of the project. The recommendation was issued to PE to ensure that it utilizes relevant experts in preparing realistic project cost estimates to reduce significant cost increases.

e) Unfair Disqualification of the Bidder in the Preliminary Evaluation Stage

The investigation revealed there was unfair disqualification bidders in the preliminary evaluation stage for Tender No. PA/001/2019-20/HQ/G/50, for Supply, installation, configuration and commissioning of Wide Area Network (WAN) materials. Whereby M/s Inventions Technologies Company Limited, M/s TERA Technologies & Engineering Ltd and M/s Computech ICS Tanzania Ltd submitted Power of Attorney and Declaration of Interest Form in a different format. However, deviations were considered minor during determination of responsiveness of bids but was only applied to M/s Computech ICS Tanzania Ltd and was awarded the contract of TZS 622.42 million while two bidders were disqualified in the preliminary evaluation. The recommendation was issued to TANESCO to ensure tender evaluations are carried out timely in accordance with the criteria specified in the Tender documents and reviews of evaluation reports should be done diligently.

4.3.9 Dar es Salaam City Council (DCC)

a) Commencement of Construction of Two Secondary Schools before initiating the procurement process for contracts valued at TZS 3.60 billion

The investigation reviewed the procurement process for Tender No. LGA/018/DCC/2022/2023/HQ/W/90 for the construction of classrooms at Mnazi Mmoja Secondary School, noted on 29 December, 2022 the Acting City Director wrote a letter to the Director of Light Builders Limited (Contractor), inform to commence construction work on the classrooms also City Engineer issued instructions to contractor on project construction. However, after commencement of construction, on 3 February 2023 the City Council issued tender announcement through single source method of procurement to initiate procurement process contrary to Regulation 8(a) of the PPRA, 2013 as amended which requires PE to ensure publication of invitations to tenders in order to ensure widest possible participation by tenders. The contract was signed on 12 April 2023 with contract value TZS 1.8 billion

Further, investigation reviewed tender No. LGA/018/DCC/2022/2023/HQ/W/255 for the construction of a four-story building with 20 classrooms at Minazi Mirefu Secondary School and observed that the tender was advertised on November 4, 2022, through the TANEPS system through single source, where Contractor Coyesa Company Limited was invited. The tender evaluation recommended Contractor Coyesa Company Limited and was approved by the Tender Board for a contract worth TZS 1.79 billion signed on April 12, 2023. However, reviewed the visitor book and site instructions, noted that construction had already commenced since 8th December, 2022 before the tender evaluation and approved by Tender Board. The Authority issued recommendation for disciplinary action to staff involved in the violation of procurement process.

b) Payments amounting to TZS 661.68 million supported by forged EFD receipts

The investigation reviewed payments to contractors, suppliers, and service providers in the financial year 2022/23 noted that the payment vouchers did not have EFD receipts, contrary to Section 36 (1) of the Tax Administration Act, Chapter 438, revised in 2019. However, upon request, the EFD receipts was submitted and issued in July and August, 2023, the confirmation to the Tanzania Revenue Authority noted that there were 16 receipts with a total value of TZS 661.68 million were forged receipts which cause a loss of VAT amounting to TZS 100.93 million to the Government

The Authority shall submit a report on the transactions carried out by the service provider and contractor to TRA for fictitious EFDs also PE should strengthen its internal control systems to ensure timely submission of EFD receipts after making payments.

c) Contract Awarded with the highest cost compared to their competitor by TZS 41.42 million

The Investigation team reviewed the cost estimates (BoQ) submitted by contractor Lucas Construction Co. Ltd for the Construction of Classrooms at Kipunguni Secondary School which had a cost of TZS 1.4 billion and had been reviewed by the evaluation committee made arithmetic error corrections to TZS 1.39 billion. However, verification by the Investigation team noted the cost was TZS 1.47 billion, which was different from the evaluation committee. Further, the Investigation team reviewed the arithmetic error corrections made by the evaluation committee on the cost estimate (BoQ) submitted by contractor Spectrum Contractors Ltd, which initially had a cost of TZS 1.36 billion but was raised to TZS 1.44 billion. However, verification noted the actual cost submitted by the contractor in the BoQ was TZS 1.43 billion, which differed from the evaluation committee's calculation.

Therefore, the cost verification revisions conducted by the Investigation team on the BoQ have revealed that the contractor Lucas Construction Co. Ltd, who was recommended by the evaluation committee as the lowest bidder, should not have been awarded the tender as their costs were higher by TZS 41.42 million to contractor Spectrum Contractors Ltd. This resulted in the City Council to pay higher costs for the construction, contravening Regulation 203(2) of the Public Procurement Regulations of 2013. The recommendation was issued to the City Council to take appropriate actions to staff responsible for unfair recommended the award to highest bid price contractor

d) Payment made to Contractors without deduction of Discount given in the Contract amounting to TZS 35 million

The Investigation team reviewed the Interim Payment Certificate (IPC) No. 1 valued TZS 299.93 million whereby the City Council made payment of TZS 219.91 million after deduction of retention and advance payments to the Contractor. However, the investigation revealed that payment was made without deduction of TZS 35.00 million equivalent to 11.67 percent of discount on BoQ cost in the contract value. The Authority issued recommendation to PE to ensure excess amount of TZS 35 million is refunded by Contractor.

e) Payments made for goods neither received nor met specifications TZS 105.76 million

The Investigation team reviewed payment voucher amounted to TZS 125.28 million paid to the supplier Kialilo Enterprises Co. Ltd for the supply of equipment for the Vingunguti Abattoir, the delivered note was not signed although the supplier was paid. Verification of equipment delivered noted that out of 3 pieces stainless steel plate(1250*3000*5mm), 2 piece was delivered, out 112 piece of stainless steel pipe (2.5 of 2.6 meter wall), 94 pieces were delivered and out 596 piece of stainless steel bolts, 360 were delivered also 596 piece of Raw bolts(M10*100) all were not delivered, the undelivered equipment and tools and delivered items but not met specifications was amounting to TZS 19.52 million, therefore the supplier was overpaid by TZS 105.76 million. The recommendation was issued to City Council to take appropriate actions to staff authorise payments without receipts of delivered goods.

f) Payments made to contractor without deducting Advance Payment TZS 198.69 million

Dar es Salaam City Council made an Advance Payment of TZS 794.76 million equivalent to 15 percent of the contract value to the Contractor Humphrey Construction Ltd awarded Tender No. LGA/018/DCC/2021/2022/HQ/W/250 for Construction of Mchikichini Health Centre. The Investigation team verified the IPC No. 1, amounting to TZS 763.07 million dated 27 September, 2022 and noted that IPC did not deduct advance payment amount to TZS 198.69 million equivalent to 25 percent of the IPC. The Authority recommends the PE to deduct Advance payment of TZS 198.69 million for next payment and to take appropriate action to staff authorized the IPC without recovery of advanced payment.

g) Desks supplied worth TZS 1.14 billion did not met specification in tender document

The Mini-Competition Quotation form and drawings in Tender No. GA/018/DCC/2022/2023/HQ/G/58 and LGA/018/DCC/2021/2022/HQ/G/018 for supply of desks (chairs and tables) in Secondary Schools specify timber thickness of 25 millimetres and square steel pipes with dimensions of 25x25 millimetres. However, verification noted the square steel pipes used by the suppliers (Mama's Fursa Group and Mkopi Furniture Centre and Co) were 20x20

millimetres, therefore all desks' supplies did not meet specification, steel pipes used were not coated with red oxide to prevent rusting, timbers used were not dried leading to cracks, bend and gaps in joints and metal joints were not properly welded, resulting in the desks lack stability and some breaks. Out of the 9,660 desks (tables and chairs) valued TZS 1.13 billion, 5,868 tables (60.74%) and 4,868 chairs (50.39%) did not have quality standards. All desks were received and inspected by Receiving and Inspections Committee. The Authority recommends that the City Council take appropriate action to the Receiving and Inspections Committee to acknowledge the receipts of desks with defectives.

h) Cost of Construction Secondary Schools Using Non-competitive methods of procurement was high compared to the Competitive method

The Investigation team assessed the procurement method used by the Dar es Salaam City Council for contracts worth TZS 11.39 billion and noted that the non-competitive (single source) method had high bidding cost for the City Council compared to other procurement methods used. The non-competitive procurement was found to cost between TZS 1.73 billion to TZS 1.80 billion, while the competitive method (National Competitive Tendering) had a construction cost of TZS 1.39 billion to TZS 1.46 billion. Additionally, the investigation team noted the Restricted Competitive Tendering had a cost of TZS 1.72 billion. The investigation revealed that using the competitive tendering method would save costs to the City Council when compared to other procurement methods. The Authority recommends that the PE utilizes the Competitive Procurement methods to achieve value for money in the implementation of projects carried out by the Dar es Salaam City Council.

i) Overpayments made to Contractors TZS 444.39 million

The investigation team reviewed the IPC for six projects for the construction of four storey classroom block and construction of health centres and perform re-measurement of the works performed by Investigation, and observed that the actual construction costs for projects was TZS 2.84 billion and Contractors was overpaid by TZS 444.39 million as certified amount by DCC as TZS 3.28 billion as predicted in the **Table 4 - 1**.

Table 4 - 1 : Contractors for construction of schools and health centres overpaid

Tender No and description	IPC No.	Amount by DCC	Verified by PPRA	Overpaid - TZS.
LGA/018/DCC/2022/2023/HQ/W/23 Rehabilitation of Vingunguti Abattoir	1 and 2	219,698,000	94,903,304	124,794,696
LGA/018/DCC/2021/2022/CS/HQ/W/68- Construction of Mzinga health centre	1 to 3	272,141,196	249,957,246	22,183,948
LGA/018/DCC/2021-2022/HQ/W/116 Lot 2 -Construction classroom at Liwiti Secondary School Phase I	5	1,267,051,272.	1,155,466,931	111,584,340
LGA/018/DCC/2021/2022/HQ/W/257 Construction classroom block at Liwiti Sec School Phase II	1	276,372,171	229,724,395	46,647,776
LGA/018/DCC/2022/2023/HQ/W/90 Construction classroom block at Mnazi Mmoja Sec School	1	399,616,696	334,400,449	65,216,247
LGA/018/DCC/2021/2022/HQ/W/250 Construction of Mchikichini health centre	2	847,859,081	773,900,327	73,958,753
		3,282,738,416	2,838,352,652	444,385,760

The Authority recommends that PE to recover the overpaid amount from the contractors.

4.3.10 Ruvuma Region

a) Contracts signed after receipts and acceptance of goods TZS 104.51

During investigation, the Authority revealed that, one (1) Municipal and three (3) Districts in Songea Region procured construction materials from PLM Store on different period worth TZS 104.51 million. However, the dates on the supplier delivery notes on all supplies were beyond the dates on the contracts signed between the PE and the supplier (**Table 4 - 2**)

Table 4 - 2 : List of goods supplied by PLM before signing of contracts

No.	Health Centre Project Location	Supply Date	Amount (TZS)	Contract Date	Delay (No. of Days)
1	Madaba District	03-01-22	9,807,500	23-05-22	140
2	Namtumbo District	25-02-22	55,704,000	27-02-22	2
3	Songea District	23-03-22	13,586,000	01-04-22	9
4	Songea Municipal	18-01-22	25,408,000	19-01-22	1
Total			104,505,500		

Source: Goods Delivery Notes and Contracts

The PE were recommended to ensure timely preparation and signing of contracts with suppliers to unnecessary contractual despites which may arise.

4.4 Special Audits

4.4.1 Nelson Mandela African Institution of Science and Technology

The following are the key findings of the special udit for the projects conducted at Nelson Mandela African Institute of Science and Technology;

a) Failure to Aggregate the requirements for Contracts worth TZS 116.62 million

The review of procurement of office stationaries, office equipment and building materials of 16 contracts worth TZS 116.62 million were split contrary to Section 49 (1) (c) of the of PPA, CAP. 410 R.E 2022 which requires a procuring entity to aggregate its requirements wherever possible, both within the procuring entity and between procuring entities. The tenders were not aggregated with other tenders of similar nature hence having series of procurement of similar goods and services in amounts below the threshold for open competitive tendering and were procured in the same period in different contracts. The recommendation was issued to the Institute to aggregate all procurements of similar nature to avoid splitting in order to attain value for money.

b) Failure to prepare Evaluation Reports for Contracts worth TZS 334.37 million

Audit observed that no evaluation reports for 34 contracts worth TZS 334.37 million prepared by evaluation committees contrary to Regulation 220 of the PPR, 2013 (as amended). The Tender board approved bidders recommended by Head of Procurement Management Unit without evaluation report. The recommendation was issued to the Institution ensure Evaluation Committees prepare tender evaluation reports for submission to Procurement Management Unit and Tender board for approval.

4.4.2 Multinational Lake Victoria Maritime Communication Project

a) Delays to engage Consultant for Supervision of Construction of Three Search and Rescue Stations

The review of contract No. AE/095/2021-2022/HQ/W/03 for Construction of three Search and Rescue Stations signed on 29 December, 2022 noted that Contractor started mobilization and detail design without supervision of consultant as procurement of consultant through tender No. AE/095/2022-2023/HQ/C/02 was delayed as letter of intention to award was issued on June, 2023. The key responsibility of the Consultancy Service was to supervise the project on behalf of TASAC and have specific duty to review the proposed design to ensure that it was correct in all aspects also manage the mobilization and setup of the contractor's resources, delays to engage jeopardise the supervision of project. The Authority recommended the Corporation ensure all work projects which need supervision role, the consultancy services are procured prior of procurement work contractors.

b) Signifi ant delays up to 520 days in Procurement Process for tenders worth TZS 8.74 billion

The assessment of time efficiency in implementation of procurement activities in APP from submission of requisition from user department to the time of contract signing noted that, there was signifi ant delays in procurement process ranged from 349 days up to 520 days contrary to standard time established in Eight schedule of GN No. 333 of 2016 as amended.

The delays in procurement process for MLVMCT project increase loan cost charges (commitment charges) to the Government as financier was charging 0.5% per annum on undisbursed portion of the loan. The Authority issued recommendations to PE to liaise with financier, AfDB to ensure issuance of No Objection from the Bank is expedited also ensure procurement processes are conducted on time in order to avoid unnecessary delays which might increase cost to the project.

4.5 Assessment of corruption Red Flags to the audited entities

During the financial year of 2022/23, the Authority carried out procurement audit through TANEPS and traditional method. During audits, the Authority made the assessments of corruption symptoms (Red Flags) covering the main phases of procurement process. In compliance audit conducted through TANEPS, the assessment covered Pre-Bid; and Bidding Evaluation and Award phases while in traditional method, the assessment covered Pre-Bid; Bidding Evaluation and Award; and Contracts management.

The assessment of corruption symptoms for the procurement audits conducted in TANEPS and traditional method covered 2,505 contracts having a total value of TZS 17,955.45 billion implemented by 180 procuring entities. Out of the total reviewed contracts, corruption symptoms were observed in three stages of the 141 contracts having the total value of TZS 749.93 billion implemented by 56 procuring entities.

The Authority revealed, four (4) contracts worth TZS 4.88 billion implemented by procuring entities were observed to have corruption likelihood at Pre-Bid Stage; 96 contracts worth TZS 681.81 billion were observed to have corruption symptoms at Bidding Evaluation and Awarding Stage; and 41 contracts worth TZS 63.23 billion were observed to have corruption symptoms at Contract Management Stage. Generally, the corruption symptoms were predominantly observed at bidding, evaluation and awarding stage also in contract management.

The key observed corruption symptoms at the bidding, evaluation and award stage were; awarding of contracts to tenderers who did not meet requirements; awarding the bidders with the highest price due to unfair disqualification of the lowest bidders; and use of single source method without justifications. The mostly observed corruption symptoms at contract management phase were undertaking payments for non-executed works; and certification of Interim Payment Certificates (IPC) raised by contractors without verification by project manager. Details of the specific corruption symptoms are shown in **Appendix I**

CHAPTER FIVE CHALLENGES AND RECOMMENDATIONS

Despite of accumulated achievement, the Authority faced some challenges both internally and externally as summarized below;

5.1 Internal challenges

S/N	CHALLENGES	DESCRIPTION	RECOMMENDATIONS
1	Inadequate human resources for effective implementation of monitoring activities	According to the current working staff level, the division of Monitoring and Compliance has 26 employees in total, including the head of division, 4 Managers and 21 officers. The Division is in charge of overseeing and monitors procuring entities. Based on that magnitude, it is challenging for the current staffing level to carry out efficient daily and recurring monitoring of all PEs, including routine monitoring, procurement investigations, special audits and normal procurement audits.	Continue liaising with the relevant authorities on attaining the appropriate manning level for effective implementation of monitoring activities by the Authority.
2	Limited budget for carrying out procurement audit and monitoring activities	Budgetary limit prevents the Authority from conducting a thorough audit of every PE within the relevant financial year. Estimate cost for the carrying out of compliance audit to one entity ranges from 5 to 10 million for compliance audit, while for performance audit ranges from 10 to 20 million per entity depending on audit scope. However, the funds provided by the Government to the Authority for monitoring purposes are insufficient to guarantee efficient monitoring, particularly for auditing activities.	Continue liaising with MoF on the possibility of having sufficient funds to audit at least 50 percent of the total number of registered PEs.

5.2 External Challenges

S/N	CHALLENGES	DESCRIPTION	RECOMMENDATIONS
1	Non submission of Mandatory reports	The assessment on submission of periodic reports such as quarterly internal audit reports and procurement implementation reports, revealed unsatisfactory level of compliance. This constrained the Authority accessibility of information of the procurement transactions carried out within the PEs and assessment of compliance level pursuant to PPA and PPR. During FY 2022/2023 only 250 entities out of 732 submitted internal audit reports.	To enhance controls in the electronic procurement system that will facilitate access of information required in routine monitoring
2	Delays by PEs to implement some of the audit recommendations provided	Based on the audit results for FY 2022/2023, follow up of audit recommendations indicated that majority of the PEs did not adhere with implementation of previous recommendations made by Authority. This negligence led to considerable repetition of the same weaknesses and slightly improvement of compliance level from 65.10 to 65.13 in FY 2021/22 and 2022/23 respectively.	
3	Non-compliance of the PEs on the use of the system (TANePS)	Due to partial use of TANePS in carrying out procurement activities by PEs from initial to awards stage, the Authority is unable to conduct adequate monitoring of procurement activities. Majority of PEs processed tenders in TANePS up to evaluation stage and awards done outside TANePS. This impedes accessibility of significant information which can be used in monitoring.	To improve e-procurement system by developing National e-Procurement System of Tanzania (NeST) which will address challenges noted from TANePS. This system enforces all procurement functions to be conducted with the system, and will enhance smooth accessibility of procurement information which will be used for monitoring and compliance assessment.

S/N	CHALLENGES	DESCRIPTION	RECOMMENDATIONS
4	Contract Management and Procurement Records	The audit revealed that Contract Management and Procurement records fall short, thus are major challenges in most entities. Inefficiency in contract management has prompted escalation of project costs and delays in accomplishing majority of works contracts. Profusely in LGAs, Procurement records management was a primary challenge.	The contract management portal will be instituted in NeST to monitor contract implementation and periodical inspection to be conducted to major national strategical projects. In addition, all procurement records will also be maintained in NeST, hence resolve challenges brought by improper record keeping of information.
5	The use of Restrictive and Single Source procurement methods.	Through audit and routine monitoring, misuse of the Single source and Restricted procurement methods was highlighted. These methods seem to inculcate collusion in procurement process and hinder obtaining competitive price for various services acquired by PEs.	The authority will undertake a scoping study to see the possibility of providing "No Objection" approvals prior to initiation of procurement process using the mentioned methods.

5.3 Conclusion

In addressing the key findings and recommendations for Procuring entities the Authority issued the concerned entity with directives on corrective measures to be implemented in order to mitigate the risks associated with the identified weakness, hence ensuring transparency and efficiency in public procurement processes. The Authority continued to offer technical support to the PEs to ensure that they comply with the laws and directives.

Appendix I: Details of the specific corruption symptom

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
BANK OF TANZANIA			
Tender No. PA/082/2022-23/ZNZ/W/188 for Proposed Construction of Carpark Shed at Mwanakwerekwe, Bank of Tanzania, Zanzibar	M/s.Trinity Manufacturing Services Ltd	187,887,800.00	<p>Review of tender noted uplifting of tender price from 148,080,010.00 to TZS 187,887,800.00 without justification</p> <p>Further, we noted authorization of payment TZS 150,715,545.00 which is inclusive of unfiled materials worth TZS 19,053,600.00 for Mazizini Site contrary to GCC 52.4 which requires the project manager to certify values in the bill of quantities whose works have been completed, materials on site are not among the executed-completed works.</p>
UNIVERSAL COMMUNICATIONS SERVICE ACCESS FUND			
IE 037/2022/2023/HQ/G/02 for Supply of ICT items to 10 schools with special needs, Phase 1	M/s. Mbesa Books Distributors Limited	713,840,000.00	The review revealed contract was awarded to the highest bidder M/s. Mbesa Books Distributors Limited at TZS 713,840,000.00 leaving the lowest bidder M/s. Plan B Technical Ltd who submitted an offer at TZS 543,912,686.24. The award caused unnecessary additional cost at the tune of TZS 169,927,313.76
HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)			
PA030-2022/23-HQ-W-01- for Proposed Construction of Office Building – Dodoma	M/s. Mkopi Furniture Centre	31,954,926,498.00	<p>Technical evaluation committee eliminated M/s Nandra Engineering and Construction Co. Ltd while having the same details as that of the awarded Contractor M/s CRJE (East Africa) Ltd at the eligibility stage. Bidder No. 02 and No. 03 (M/s. Group Six International Ltd and M/s. Nandra Engineering and Construction Company Limited) were eliminated during preliminary stage with the reasons that, they did not attach Anti-Bribery policy and Certificate for Registration. However, the said documents were attached and available in TANEPS. Moreover, section V of tendering document required bidders to submit anti-bribery pledge for tenderer only while in TANEPS there was additional criteria which required the bidders to submit anti-bribery pledge for both main contractor and subcontractors, hence this contravened section V of tendering document. It was observed that, the criteria which required the bidders to submit anti-bribery pledge for both main contractor and subcontractors used to eliminate bidder No. 02 and 03 and leave Bidder No. 01 M/s CRJE (East Africa) Ltd, who proceeded to technical and financial evaluation and be awarded the contract at TZS. 31,954,926,498.07 VAT Incl. after negotiation. The audit noted that, if there could be consistency between the evaluation criteria in TANEPS and tendering document, and that the evaluation be performed fairly, bidder No. 03 who observed bid at TZS. 28,888,653,618.68 VAT Incl., could be awarded contract and hence the PE save TZS. 3,066,272,870.39 (prior to negotiation).</p> <p>The awarded firm is not registered with Contractor Registration Board (CRB)</p>
ARUSHA TECHNICAL COLLEGE			
PA/083/2022/2023/ATC/NC/01 for Provision of Catering Services to ATC Students Provision of Catering Services to ATC Students	M/s Nice Catering Co. Ltd for	491,153,600.00	Tender Board (TB) approved renewal of the contract which was awarded through tendering during financial year 2021/2022 without justifications. The renewal was done to M/s Nice Catering Co. Ltd for 1 year, from 01 July 2022 up to 30 June 2023.

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
PA/083/2022/2023/ATC/NC/02 for Provision of Security Service For ATC-Main Campus, Oljoro and Kikuletwa Campus	M/s Intelligence Security Ltd	195,360,000.00	TB approved renewal of the contract which was awarded through tendering during financial year 2021/2022 without justifications. The renewal was done to M/s Intelligence Security Ltd for 1 year, from 01 July 2022 up to 30 June 2023.
PA/083/2022/2023/ATC/NC/06 for Provision of Cleaning and Ground Maintenance Service at ATC Main Campus and Kikuletwa Campus	M/s Fairly Cleaning Solution	100,896,000.00	TB renewed the contract which was awarded through tendering during financial year 2021/2022 without justifications. The renewal was done to M/s Fairly Cleaning Solution for 1 year, from 01 July 2022 up to 30 June 2023
TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)			
PA/032/2022-2023/HQ-NPDIS/G/24B2	Raddy Fiber Solution Ltd	515,660,000.00	The read-out price was exactly the same as the price in Form No. 2 and in APP. In both cases, the bidder was M/s Raddy Fiber Solution Limited, who had been invited through a single-source tendering. The consistent matching of the read-out price with Form No. 2 for bids submitted by M/s Raddy Fiber Solution Limited in two tenders suggests a potential breach of fairness and transparency.
PA/032/2021-2022/HQ - NPDIS/G/15 for Designing, Planning, Supplying, Installing, Commissioning and Testing of 2G (GSM) BTS s and 4G (LTE) eNodeBs with its Towers, Associated Power and Transmission Systems for Provision of Communication Services to Border and Special Zones Under UCSAF Phase VI Project – 37 Wards.	M/s Raddy Fiber Solution Limited	12,719,999,219.77	In Tender No. PA/032/2021-2022/HQ-NPDIS/G/15, with a total worth of USD 8,545,560.79 and TZS19,391,705,256.05, the Accounting Officer (AO) appointed a review panel after the tender had gone through two different Evaluation committees. This review panel was tasked with addressing the complaints from Huawei International Co. Ltd. The review team expressed shock through an internal memo dated September 19, 2022, addressed to the AO. The memo revealed that M/S Huawei seemed to possess inside information about their tender.
PA/32/2021-2022/HQ - NPDIS/G/1.4 for Supply of 8 Cores Buried Cables	M/s Raddy Fiber Solution Limited	176,410,000.00	The read-out price was exactly the same as the price in Form No. 2 and in APP. In both cases, the bidder was M/s Raddy Fiber Solution Limited, who had been invited through a single-source tendering. The consistent matching of the read-out price with Form No. 2 and in APP for bids submitted by M/s Raddy Fiber Solution Limited in two tenders suggests a potential breach of fairness and transparency.
MUHIMBILI ORTHOPEDICS INSTITUTE			
PA-008/2022/2023/G/03 for Supply of Emergence Medical Consumables Lot 1	MUMTAZ SHABBIR HUSSEIN RAJBHAI	73,730,000.00	Evaluation committee used different rates from the ones submitted by the bidders. Reference was made on evaluation of Lot 1; it was presented the bidder; <ul style="list-style-type: none"> i. Quoted item no. 36 "COTTON STOCK NETTE "5" " at TZS. 34,000 each unit while the bidder observed quoted 36,000 each for 1000 units thus resulted the total price for item be 34,000,000 instead of 36,000,000. ii. Quoted item 83 "FINGER SPLINT XL" at TZS. 55,000 each while the bidder observed quoted 5,500 each for 100 unit thus resulted the total price for item be TZS. 5,500,000 instead of TZS. 550,000. iii. Quoted item 99 "INFUSION GIVING SET" at TZS. 450 for 8,000 each unit while the Audit observed the bidder not quote thus resulted the total price for item be 3,600,000 instead of 0" Nil".

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
			<p>iv. Quoted item 110 "KNEE IMMOBILIZER LONG, UM, UNIVERSAL" at TZS. 42,000 for 200 units each while the bidder did not quote thus resulted the total price for item be 8,400,000 instead of 0" Nil".</p> <p>v. Omitted item 140 "PELVIC BINDER ADULT" which was quoted at TZS. 26,000 for 10 units hence a reduction of TZS. 260,000 in the price schedule of the bidder.</p> <p>vi. Quoted item 158 "SKIN TRACTION ADULT" and 159 "KIN TRACTION CHILD" at TZS. 12,000 for 600 qty each respectively while the bidder observed quoted 12,600 respectively thus resulted the total price for items be TZS. 14,400,000 instead of TZS. 15,120,000.</p>
PA-008/2022 /2023/G/19 for Supply of Emergency Drugs and Pharmaceutical Products	M/s lifeline pharmacy	1,033,583,130.00	During Contracting, negotiated lower priced rated was not incorporated in the Contract resulting to additional cost worth TZS 9,596,000.00 to the Contract.
TANZANIA INSTITUTE OF EDUCATION (TIE)			
PA/070/2022/2023/G/16 for Lot 1 for Printing and Supply of Textbooks and Supply of Printing Material for Mathematics and Science Subject for Secondary School form 1-4 SEQUIP Project.	M/S Mbesa Books Distributors Limited	3,700,000,000.00	1. Tender review noted that TIE disqualified other bidders (M/s. Nyambari Nyangwine Group of Companies Ltd and M/s. English Press Ltd) except M/s. Mbesa Books Distributors Ltd for not submitted manufacturer's authorization certificate. However, TIE did not verify the authenticity of the manufacturer's authorization certificate submitted by M/s. Mbesa Books Distributors Ltd
PA/070/2022/2023/G/23 for Lot 1 to 6 for Supply of Printing Materials for Press A'	M/S Digital Limited	473,180,172.00	Acceptance of Performance Securing Declaration instead of required Unconditional Bank Guarantee (Lot 4) for contract worth TZS 473,180,172.00.
PA/070/2022/2023/G/24 for Lot 1 for Supply of Bond papers for Press A'	M/s. Green Belt Investment	395,675,000.00	Audit noted PMU recommended a list of suppliers and were invited to bid without prequalification, the tender used Restricted National Competitive Tendering method.
PA/070/2022/2023/G/26 for Supply of Printing Material and Chemicals for Press A' LANES Project LOT 1	M/S. Mbesa Books Distributors Limited	101,692,518.00	Acceptance of Performance Securing Declaration instead of required Unconditional Bank Guarantee (Lot 2 & 3) for contracts worth TZS 804,238,582.00.
PA/070/2022/2023/G/26 for Supply of Printing Material and Chemicals for Press A' LANES Project LOT 2	M/S. Mbesa Books Distributors Limited	282,973,582.00	
PA/070/2022/2023/G/26 for Supply of Printing Material and Chemicals for Press A' LANES Project LOT 3	M/S. Mbesa Books Distributors Limited	521,265,000.00	
PA/070/2022/2023/G/24 for Supply of Bond papers for Press A'	M/S Partner General Supplies	142,234,692.50	Review noted that PMU recommended a list of suppliers and were invited to bid without prequalification, tender used Restricted National Competitive Tendering method.
PA/070/2022/2023/C/01 for Preparation of Dictionaries for special needs	M/S KFS Group Limited	35,000,000.00	Use of Single Source method without justification.

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
PA/070/2022-2023/G/28 for Supply of Braille Materials and Printing of textbooks for Pre-Primary Large Print (LANES Project)	M/S Mbesa Books Distributors Limited	676,340,000.00	<p>It was noted that TIE disqualified other bidders (M/s. CI Group Ltd, M/s. Tanzania Printers Ltd and The General Book Sellers Ltd) except M/s. Mbesa Books Distributors Ltd for not submitting manufacturer's authorization certificate. However, TIE did not verify the authenticity of the manufacturer's authorization certificate submitted by M/s. Mbesa Books Distributors Ltd</p> <p>Acceptance of Performance Securing Declaration instead of required Unconditional Bank Guarantee for contract worth TZS 676,340,000.00 (Lot 1).</p>
GAS COMPANY TANZANIA LIMITED			
PA/157/202-23/W/25 for Gas pipeline facility corrosion control	M/s. Byamu Construction and Building Co. Limited,	97,350,000.00	<p>Delay in signing of contract by parties after fulfilling all conditions. It was noted that, the successful tenderer was issued the Letter of Award and submitted performance security as a condition precedent for contract signing but GASCO delayed the process of finalizing the contract for 120 days.</p> <p>Improper Cancellation of Awarded Contract. It was observed that procurement process through NCT was completed and contract awarded to the successful tenderer, M/s. Byamu Construction & Building Co. Ltd at a Contract value of TZS 97,350,000.00 and the Contractor submitted Performance Securing Declaration. Then audit observed that, GASCO issued a Notice of Cancellation of Tender after 210 days giving reason that the nature and scope of work is not clearly defined in the Bill of Quantities (BoQ) in the bidding document. Up to the date of audit no re-tendering process has been initiated.</p>
PA/157/2021-22/W/12 for Drilling of Water Wells for BVS and Installation of Plumbing System - Gas Pipeline	M/s. Shamoka Building and Civil contractors Limited,	89,605,660.00	Delay in signing of contract by parties after fulfilling all conditions. It was noted that, the successful tenderer was issued the Letter of Award and submitted performance security as a condition precedent for contract signing within 7 days but GASCO delayed the process of finalizing the contract and signed the contract after 67 days out of bid validity period.
PA/157/2022-23/W/1 LOT 2 for Repair of Container Roof Lining Materials and Doors - Madimba GPP and Songosongo GPP	M/s. Byamu Construction and Building Co. Limited,	198,594,000.00	Delay in signing of contract by parties after fulfilling all conditions. It was noted that, the successful tenderer was issued the Letter of Award and submitted performance security as a condition precedent for contract signing but GASCO delayed the process of finalizing the contract and signed the contract after 43 days out of bid validity period.
TANZANIA PETROLEUM DEVELOPMENT CORPORATION			
PA/031/2022-23/W/15 for Engineering, Procurement and Construction for natural gas distribution network to DUCE and Mlimani City kitchens	GASCO Limited	685,869,454.00	1. Improper Cancellation of Awarded Contract. It was observed that procurement process was completed successfully and contract awarded to M/s. GASCO Limited, the subsidiary company of TPDC. Unfortunately, the award was cancelled and TPDC initiated re-tendering process using National Competitive Tendering method and according to the records of online tender opening done on 25 July, 2023 all submitted bids have higher prices compared to contract value awarded to GASCO Limited.

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
TANZANIA ELECTRIC SUPPLY COMPANY LIMITED (TANESCO)			
PA/001/2022-2023/HQ/G/173 for Supply of Motor Vehicle for the Managing Director's Office	Nissan Tanzania Limited	295,552,500.00	During the audit, it was revealed that TANESCO procured the Motor vehicle worth TZS 295,552,500.00 through single source procurement method without relevant permit from Prime Minister's Office, specifications from Ministry of Works and the procurement was not channelled to GPSA. The same anomaly was noted on tender No.PA/001/2022-2023/HQ/G/161 for procuring other motor vehicles at the estimated cost of TZS 3,000,000,000
TANZANIA PORTS AUTHORITY (TPA)			
AE/016/2022-23/HQ/W/09 for Dry Docking and Major Repair of: Lot 1 for Tug Luhigo: Lot 2 for Tug Chatu "Major overhaul, test and general repair: Lot 3 for Tug Nyangumi II "Major overhaul, test and general repair: Lot 4 for Tug Duma "Major overhaul, test and general repair: Lot 5 for Tug Kiboko "Major overhaul, test and general repair: Lot 6	Southern Engineering CO. Ltd	18,796,580,526.35	Non adherence to negotiation parameters approved by the tender board. It was revealed that the total price read-out during the tender opening for seven (7) lots was TZS 23,209,107,018.81, while the budget stood at TZS 11,018,910,791.00. To address this budget deficit, the Tender Board approved a negotiation plan that included parameters for both price and scope reduction, achieved by removing Lot 2. The individual price read-out for Lot 2 alone was TZS 4,352,894,288.03. As a result, the combined price read-out for the remaining six (6) lots was TZS 18,856,212,730.78.
TANZANIA RAILWAY CORPORATION (TRC)			
PA/154/HQ/2022-23/G/18 Lot 1 for Supply of Truck Maintenance and Rehabilitation Tools and Machinery for Metre Gauge Railways	M/s Agro Auto Fasteners Limited	112,253,400.00	It was noted that the tender was cancelled and implemented outside the TANEPS through Single Source Procurement Method as M/s Agro Auto Fasteners Ltd (sourced Supplier) was reluctant to use the system without any justifiable reasons.
PA/1154/HQ/2022-23/G/51 Lot 3 for Supplying Lubricant Oil for Locomotives and Machinery	M/s Oryx Services and Specialties Limited	1,073,968,457.74	Inappropriate selection of the procurement method. The invitation was through mini competition forms contrary to limits of procurement methods prescribed under the Seventh Schedule of GN No. 446 of 2013 as amended which state the threshold per tender of the application of National Shopping for Goods is TZS 120,000,000 while the estimated value of tender in question was far above that limit.
PA/154/HQ/2022-23/G/49WB for Procurement of Office Equipment Under TIRP Project	M/ Soften Technologies Limited	320,991,926.08	Notification of award by the AO before the elapse cool off period. The Authority noted that, notification of award was done before lapse of the cool off period in which intention to award was issued through letter with Ref. No. G.598/610/01 dated 28 th Sept, 2022 and the notification of award was through letter with Ref No. G.598/610/01 dated 29 th Sept, 2022 being one day while the letter of intention indicated the cool off period will lapse after seven working days from the date of issuing the letter of intent and in the letter bidders were required to lodge the complain if any.
PA/154/HQ/2022-23/G/48WB for Procurement of ICT Equipment to Support Track Recording Car Infrastructure under TIRP Projects	M/s. Softnet Technologies Limited	126,905,668.18	Notification of award by the AO before elapse of cool off period. It was noted that, notification of award was done before elapse of the cool off period in which intention to award was issued through letter with Ref. No. GA.598/610/01 dated 27 September, 2022 while the notification of award was done through letter with Ref No. G.598/610/01 dated 28 September, 2022 being one day while the letter of intention indicated the cool off period will lapse after seven working days from the date of issuing the letter of intent and in the letter bidders were required to lodge the complain if any.

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
PA/154/HQ/2022-2023/G/19 Lot 1 for supply of spare parts for maintenance of Meter Gauge Railway and Standard Gauge Railway Locomotives	M/s. Compagnie Internationale de Maintenance	314,752,172.29	5. Signing of the Contract prior to submission of performance security. It was observed that the contract was signed by the parties but required performance securities were not submitted by the respective Suppliers while the signed contracts had the clauses required Suppliers to submit performance security of 10% of the contract price in a form of unconditional bank guarantee.
PA/154/HQ/2022-2023/G/19 Lot 2 for Supply of spare parts for maintenance of Meter Gauge Railway and Standard Gauge Railway Locomotives	M/s. Progress Rail Locomotive Inc.	7,739,978,128.92	6. Signing of the Contract prior to submission of performance security. It was observed that the contract was signed by the parties but required performance securities were not submitted by the respective Suppliers while the signed contracts had the clauses required Suppliers to submit performance security of 10% of the contract price in a form of unconditional bank guarantee.
NATIONAL FOOD RESERVE AGENCY (NFRA)			
AE-054/2022/2023/HQ/G/02 for Supply of new Polypropylene Woven Bags	M/s. Connection Investment (T) Ltd	4,074,246,600.00	Unfair qualification to the awarded bidder M/s. connection investment (T) Ltd. The awarded bidder was not substantially eligible to technical evaluation due to submitted Certificate of Registration from Weight and Measure instead of Tanzania Bureau Statistic (TBS). Submitted Manufacture of Goods Authorization which is not in the format provided. The awarded bidder had highest quoted price and unfairly disqualification of M/S. DANFAY LIMITED
TANZANIA POSTS CORPORATION			
PA/091/2022-23/HQ/G/07 for the supply of computer and other equipment	M/s. NEXTCOM ENTERPRISES COMPANY LIMITED	75,349,405.04	It was noted that in tender number PA/091/2022-23/HQ/G/07 for the supply of computer and other equipment, M/s. LAPTOP CITY LIMITED, the lowest evaluated bidder whose bid was TZS 70,221,800, was disqualified in the final stage of the evaluation. This was due to alleged failure to conform with payment terms. It was observed that the evaluation committee misinterpreted delivery order conformity and payment terms leading to the disqualification of the bidder. Consequently, the contract was awarded to M/s. NEXTCOM ENTERPRISES COMPANY LIMITED, the second lowest bidder, at a contract price of TZS 75,349,405.04, which is higher than the unfairly disqualified lowest evaluated bid. This has resulted in a loss of TZS 5,127,605.04.
PA/091/2022-23/HQ/W/02 for Renovation of Public Toilets at Posta House Building from 1st to 13 th floor	M/s. Gwema General Suppliers Ltd	144,685,464.00	Non submission of performance security and Advance payment bank guarantee.
PA/091/2021-22/HQ/G/14 for supply of nine (9) vehicles	Tuzo Business Group of Co. Ltd	1,035,472,003.00	Undelivered goods worth TZS 1.035 billion and failure to impose liquidated damages. Audit revealed that vehicles were not delivered within the stipulated delivery terms and conditions of contract. Despite TPC extending the delivery time multiple times, the supplier failed to deliver motor vehicles. However, TPC did not take any action against the supplier, such as imposing liquidated damages or terminating the contract. Failure to comply with delivery terms and condition may result in Government money loss and failure to meet intended strategic objectives.

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
NATIONAL SOCIAL SECURITY FUND (NSSF)			
PA/004/HQ/2021-2022/W/32 for completion of Plumbing and Firefighting works at Mzizima Tower Lot 3	M/s Atlas Plumbers and builders Limited	7,207,958,160.00	During the review of contract No PA/004/HQ/2021-2022/W/32 it was noted that NSSF terminated a contract with JANDU Construction and Plumbers Limited due to fail to execute the assignment as agreed. M/s Atlas Plumbers was procured to replace Jandu. During the review of both BoQ it was noted that M/s Atlas Plumbers and builders Limited was provided with work amounting to TZS 1,144,891,500 which was already executed and paid to the terminated contractor JANDU Construction and Plumbers Limited.
AIR TANZANIA COMPANY LIMITED			
PA/100/2021-2022/HQ/W/03 for Rehabilitation of 38Houses Located at Kilimanjaro International Airport (KIA)	M/s Humphrey Construction Limited	5,337,379,976.00	The verification carried out by audit revealed that, the contractor used untreated timber while carrying out the roofing works contrary to the requirements of the BOQ which forming part of the contract. This was also evidenced by the project manager to issue instructions for removal of all untreated timber in several occasions. However, such instructions were not adhered.
MUHIMBILI ORTHOPEDICS INSTITUTE			
PA/009/2022-23/HQ/W/01 Lot 5 for Proposed Reorganization of new OPD Building	M/s EPITOME	251,032,518.55	Review of tender observed that MNH used Single-source method instead of Restricted National Competitive Tendering as indicated in Annual Procurement Plan without reasonable justifications.
			Further, noted that the awarded contractors were not registered by Contractors Registration Board (CRB) as Building contractor.
PA/009/2022-23/HQ/W/01 Lot 6 for Proposed design and renovation of two gastric balloon patient room at NPC	M/s EPITOME	84,610,769.32	Review of tender observed that MNH used Single-source method instead of Restricted National Competitive Tendering as indicated in Annual Procurement Plan without reasonable justifications.
			Further, noted that the awarded contractors were not registered by Contractors Registration Board (CRB) as Building contractor.
PA/009/2022-23/HQ/W/01 Lot 3 for Proposed Renovation of VIP Clinic, 2 nd floor at new OPD Building	M/s. EPITOME	262,871,564.00	Review of tender observed that MNH used Single-source method instead of Restricted National Competitive Tendering as indicated in Annual Procurement Plan without reasonable justifications.
			Further, noted that the awarded contractors were not registered by Contractors Registration Board (CRB) as Building contractor.
PA/009/2022-23/HQ/W/01 Lot 4 for Renovation VIP clinic, second floor at new OPD building	M/s. EPITOME ARCHITECTS LIMITED	62,122,472.69	Review of tender observed that MNH used Single-source method instead of Restricted National Competitive Tendering as indicated in Annual Procurement Plan without reasonable justifications.
			Further, noted that the awarded contractors were not registered by Contractors Registration Board (CRB) as Building contractor.

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences												
MORUWASA															
AE/038/2022-2023/G/02 Lot 3 for supply of pipes fittings for construction of rising main and distribution network at Kihonda, Mkundi and Lukobe (Kihonda - Kiegea)	M/s NAJJA Hardware	1,867,647,360.00	AO signed the intention to award letter with two phases which is not stipulated in the quotation documents and not evaluated. Phase I amounts to TZS 2,463,373,900 and phase II amounts to TZS 1,867,647,360.00. Phase II contract was not advertised nor evaluated but the letter of award was sent to the bidder. The Evaluation Committee recommended award of contract to M/s NAJJA Hardware who had no business license which was one of the evaluation criteria in the tender evaluation.												
AE/038/2022-2023/G/02 lot 1-3	M/s Tanzania Steel Pipes Ltd, M/s NAJJA Hardware and M/s Pipes industry limited	9,761,087,684.25	Review of procedural APP and the contract value, it was observed that the awarded contract value for all three (3) lots exactly matches the estimated value in APP. As shown below: - <table border="1" data-bbox="922 752 1465 1016"> <thead> <tr> <th>Tender No.</th> <th>Estimated value -APP</th> <th>Contract value</th> </tr> </thead> <tbody> <tr> <td>AE/038/2022-2023/G/02/lot 1</td> <td>6,667,140,405.25</td> <td>6,667,140,405.25</td> </tr> <tr> <td>AE/038/2022-2023/G/02/lot 3</td> <td>630,573,379.00</td> <td>630,573,379.00</td> </tr> <tr> <td>E/038/2022-2023/G/02/lot 2</td> <td>2,463,373,900.00</td> <td>2,463,373,900.00</td> </tr> </tbody> </table>	Tender No.	Estimated value -APP	Contract value	AE/038/2022-2023/G/02/lot 1	6,667,140,405.25	6,667,140,405.25	AE/038/2022-2023/G/02/lot 3	630,573,379.00	630,573,379.00	E/038/2022-2023/G/02/lot 2	2,463,373,900.00	2,463,373,900.00
Tender No.	Estimated value -APP	Contract value													
AE/038/2022-2023/G/02/lot 1	6,667,140,405.25	6,667,140,405.25													
AE/038/2022-2023/G/02/lot 3	630,573,379.00	630,573,379.00													
E/038/2022-2023/G/02/lot 2	2,463,373,900.00	2,463,373,900.00													
MINISTRY OF WATER															
ME-011/ 2022/ 2023/ W/ 08 for Construction, Testing and Commissioning of Water Supply Scheme at Songea Town	M/s China Engineering Constructions Corporation	179,400,000.00	The awarded bidder M/s China Engineering Constructions Corporation, unfair treatment of bidders since the bidder M/s Beijing Construction Engineering Group Co. Limited was disqualified for submission of a smaller number of key personnel while the awarded bidder M/s China Engineering Constructions Corporation did not submit the required number of key personnel but was awarded the contract.												
MINISTRY OF NATURAL RESOURCES AND TOURISM															
No. ME.018/2021-2022/ HQ/W/02 for Construction of MNRT Office Building hase II	M/s Li Jun Development Company Limited	19,283,348,201.65	Evaluation committee disqualified the lowest evaluated bidder M/s AMI & VAI Investment Co. Ltd with the reasons that the Bidder submitted outdated CRB annual fee Receipt. However, audit verification noted that, the submitted receipt of M/s AMI & VAI Investment Co. Ltd was issued on 21 st July, 2020 to cover the financial year 2020/2021 and the submitted receipt of M/s Li Jun Development Company Limited was issued on 28 th May, 2021 to cover the financial year 2020/2021. Never the less the evaluation committee disqualified the bidder M/s AMI & VAI Investment Co. Ltd with bid price of TZS 14,780,549,861.92 on preliminary examination stage and awarding the contract to the second lowest bidder with bid price of TZS 16,418,331,701.74 resulted to loss of TZS 1,637,781,840.00												

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
TANROADS - HQ			
AE/001/2022-23/HQ/W/14 for Upgrading to Bitumen Standard of Omugakorongo - Kigarama - Murongo road and M/s China Road and Bridge Corporation (T) Ltd	M/s China Road and Bridge Corporation (T) Ltd	122,796,777,517.16	<p>TANROAD awarded M/s China Road and Bridge Corporation (T) Ltd in tender no. AE/001/2022-23/HQ/W/14 for upgrading to Bitumen Standard of Omugakorongo - Kigarama - Murongo road with contract value TZS. 122,796,777,517.16. The named company/contractor was not registered by BRELA and CRB.</p> <p>Furthermore, audit team revealed that there was forgery's prospect of opening report record in order to justify the presence of M/s China Road and Bridge Corporation (T) Ltd. Opening report record from TANePS show name of M/s China Road and Bridge Corporation while opening report record found in correspondence file show M/s China Road and Bridge Corporation (T) Ltd.</p>
AE/001/2022-23/HQ/W/02 for Upgrading of Tarime - Mugumu Road to Bitumen Standard (86 Km)	M/s China Road and Bridge Corporation (T) Ltd	87,268,464,577.00	<p>TANROAD awarded M/s China Road and Bridge Corporation (T) Ltd in tender no. AE/001/2022-23/HQ/W/02 for upgrading of Tarime - Mugumu Road to Bitumen Standard (86 Km) with contract value TZS. 87,268,464,577. The named company/contractor was not registered by BRELA and CRB. Further, Audit team revealed that there was forgery's prospect of opening report record in order to justify the presence of M/s China Road and Bridge Corporation (T) Ltd. Opening report record from TANePS show name of M/s China Road and Bridge Corporation while opening report record found in correspondence file show M/s China Road and Bridge Corporation (T) Ltd.</p> <p>Account used in TANePS was M/s China Road and Bridge Corporation while documents submitted were for M/s China and Road Bridge Corporation (T) Ltd contrary to Regulation 345 (5) which requires users to be responsible for maintaining the confidentiality of all particulars associated with their accounts and shall be fully responsible for all activities pertaining to use of their account.</p>
MINISTRY OF HOME AFFAIRS			
ME 014/2022/2023/PR/G/19 for Construction of Tarmac Road - Prisons HQ Msalato Dodoma)	Cross General Supply and Trading Company and RS Company Ltd	156,086,250.00	<p>MOHA made payment worth TZS 156,086,250.00 for the non-delivery goods as listed below: -</p> <ol style="list-style-type: none"> PV no 00290000V2304126 worth TZS 50,906,250.00 for payments for the following goods; Asphalt Concrete Ac 14 and Thermoplastic Making White Glass Beads (Cross General Supply and Trading Company) PV No 00290000v2304125 worth TZS 49,350,000.00 for payments for following Goods; Asphalt Concrete Ac 14, Thermoplastic Making White and Thermoplastic Making Yellow Glass Beads (Cross General Supply and Trading Company) PV No 0029'0000v2304124 worth TZS 49,350,000.00 for payment of the following goods, Asphalt Concrete Ac 14, Thermoplastic Making White and Thermoplastic Making Yellow Glass Beads(Cross General Supply and Trading Company)

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
			iv. PV no 00290000V2304165 worth TZS 6,480,000.00 for payment building materials (432 pcs 32x32x2.5 mm thick square pipe). The records show that these goods have been paid and delivered and are in the storehouse. Physical verification noted the item was missing (RS Company Ltd).
TANROADS - MARA			
AE/001/2022-2023/MAR/W/26	M/S Abemulo Contractors	1,760,720,000.00	Review noted that eligibility evaluation criteria in opening stage involved four bidders including GANDA Classic Company Limited. The mentioned tenderer was disqualified for the said "contradicting board resolution". Audit review, revealed that the submitted power of attorney with its board resolution for Ganda Classic Company Limited was proper and non-contradicting. Disqualification of Ganda Classic Company Limited leading to the award of contract to highest bidder at a price higher by TZS. 859,608,000.00. The price submitted by Ganda Classic Company Limited was TZS 901,112,000 compared to TZS 1,760,720,000 submitted by M/S Abemulo Contractors who was awarded the contract
MINISTRY OF LIVESTOCK AND FISHERIES			
ME/021/01/2022-2023/HQ/G/08 lot 2 for Supply of Laboratory Equipment and Supplies	Bajuta International Tanzania Limited	28,189,963.32	Review of tender found that M/s Kwadu Mikoma Enterprises who submitted lowest bid worth TZS 13,308,772.80 according to bid opening record failed to comply with technical criteria which required bidders to comply with specification stated in bid document, records show M/s Kwadu Mikoma Enterprises complied with this criterion because he submitted letter of compliance and declared to comply with specification submitted. However, evaluation committee recommended contract to be awarded to Bajuta International Tanzania Limited for contract worth TZS 28,189,963.32. Awarding the tender to inappropriate bidder with high price resulted into a loss of public fund worth TZS 14,881,190.52.
ME/021/01/2022-23/HQ/W/20 (for Earth Dam Construction at Kongwa in Morogoro and Vinyenze at Kibaha Coast region)	M/s Mirogena Investment Company	834,179,760.00	PE used single source procurement method without justifications, Further, audit observed that the advance payment security, for contract No. ME/021/01/2022-2023/HQ/W/20 (Livestock) which was submitted in the form of a bank guarantee, on 21 September 2022, expired on 20 March 2023. However, up to the date of this auditing, 18 August 2023, the security has expired while advance payment has not been recovered.
RUWASA-MBEYA			
AE/102/2022-2023/MBY/W/04 for construction of Masoko II Water Supply Project in Rungwe District	M/s Chelesi General Enterprises	1,021,042,509.40	Unfair disqualification of the lowest bidder M/S Scorpion Ltd with a bid price of TZS 938,312,081.68. The review noted in the evaluation report whereby M/s Scorpion Ltd was disqualified for the reason of not attaching site visit certificate as required in ITT Clause 6.1 of the Tender Documents. However, it was noted that the referred ITT Clause stipulated that non-attendance at the site visit will not be a cause for disqualification of tenderer Hence, resulted to RUWASA Mbeya to award contract to M/s. Chelesi General Enterprises at a contract price of TZS. 1,021,04,250,94 VAT Exclusive which resulted to loss of TZS 82,792,169.26 in comparison with the lowest bid price.

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
VETA-HQ			
PA/024/2022/2023/HQ/G/20 for Procurement of Photocopiers and Computers	M/s.Dynatech Solutions Ltd	2,295,266,124.00	<p>Lowest evaluated bidder, M/s. MASUMIN PRINTWAYS AND STATIONERIES LTD whose bid was TZS 2,196,975,000 was disqualified based on failure to submit signed tender security (unconditional bank guarantee). However, this was contrary to the evidence obtained during the review, as it was noted that VETA-HQ did not seek clarification of the submitted tender security from the respective Bank on its authenticity. Further, the audit observed that, the tender security submitted had a banks' common seal. If the principle of fairness was executed PE could have saved a total of TZS 98,291,124.00.</p> <p>Submission of forgery signed tender security (unconditional bank guarantee). It was observed during audit M/s ICTPACK SOLUTIONS LTD, submitted a fake Unconditional Bank Guarantee issued by CRDB Bank, which was later verified as fraudulent by the Bank through a letter dated 23rdMarch 2023. it is evident that VETA-HQ did not take any action in response contrary to the requirement of section 83 of PPA CAP 410 (R.E. 2022).</p>
PA/024/2022/2023/HQ/W/01 for the construction of VETA Head Office Dodoma (phase I)	M/s. Mohammedi Builders Limited	14,573,537,785.79	Use of Restricted National Competitive Tendering (RNCT) for construction of VETA Head office instead of Competitive Procurement Method. It was observed that VETA-HQ used RNCT method instead of National Competitive Tendering as indicated in approved APP without justifications that conforms to Reg. 152 of GN No. 446 of 2013 (as amended).
REA			
AE/ 008/2020-21/HQ/W/35for Proposed Construction of Office Building for Rural Energy Agency at Block AC Plot No. 94 Medeli, Dodoma	M/S Hainan International Ltd	10,416,601,010.84	<p>Disqualification of the lowest bidder, M/S B. H. Ladwa Limited with quoted value of TZS. 10,176,605,931.30 due to names appeared in CV are Nurdin Mjachawe, in Leaving Certificate are Nuru B Mjachakwe, in Certificate of secondary Education are Nuru Bakari and in Full Technician Certificate are Nuru Bakary though the bidder explained that Mr. Nuru Bakari is not a key figure in the project since he submitted the CV and academic certificates of IssaJuma Katimba as General Foreman. However, awarded contractor M/S Hainan International Ltd whose bid was not substantially eligible to technical evaluation due to submitted certificate of Land surveyor and Environmental specialist which did not have registration with respective professional Boards.</p> <p>Furthermore, audit noted that, during post qualification REA based on TBS response only without seeking approval from the consultant who supervised contractor to unfairly disqualify the lowest bidder, M/S B. H. Ladwa Limited. Hence used insufficient information for disqualifying bidder rather than used the submitted contractual document (Final Completion Certificate) as required in the tender document.</p>
AE/008/2022-23/HQ/W/4 LOT 1 to 14 for Rural Electrification and Densification Project Round IIC	M/s. Sengerema Engineering Group Ltd & M/s. SAGEMCOM Energy and Telecom SAS	262,363,558,362.00	Two bidder's M/s Sengerema Engineering Group Ltd and M/s SAGEMCOM Energy and Telecom SAS were qualified while other ten bidders were disqualified on the same criterion which required performance of contracted works for Turnkey III Round II (AE/008/2020-21/HQ/W/31 Lot 1-39) to be 60% and above.

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
AE/008/2021-2022/HQ/W/33 LOT 7 for Electrification of Rural Health and Water Facilities to prevent spread of infectious diseases including COVID - 19	M/s Ensol (T) Ltd	2,608,587,693.46	Unequal treatment of bidders during the evaluation process led to disqualification of the Lowest bidder, M/s PIVOTECH COMPANY LIMITED whose bid price was TZS. 1,291,392,000 for submission of incomplete Form of Tender contrary to clause 15.1 whereby the bidder did not confirm to PE to appoint the Sole Member of Dispute Avoidance and Resolution Board in case of any disputes. It was observed during audit that the awarded bidder M/S Ensol (T) Ltd had also submitted incomplete form of tender contrary to clause 15.1 where the tender contained the following weaknesses: missed "name and address of employer", omitted para five of form of tender which stated, "We are not participating, as tenderers, in more than one Tender in this tendering process other than alternative tenders in accordance with the tendering documents", Thus, despite the successful bidder not complying to the stipulated criteria requirement was awarded the contract while M/s PIVOTECH COMPANY LIMITED was disqualified or the same criteria.
RUWASA- COAST REGION			
Contract no. AE-102/2022-2023/PWN/W/06 worth TZS 459,820,000.00 for Geophysical survey and drilling 7 boreholes at Sofu, Koresa, Mhaga, Mlegele, Maguruwe, Kitonga Mango and Kidugalo	M/s Planet Water Geophysics Limited	459,820,000.00	Submission of incorrect/wrong award amount on letter to unsuccessful bidders for purpose of misleading unsuccessful bidders. It was observed that, letters written to unsuccessful bidders contained wrong contract price of TZS 250,305,000 instead of TZS 459,820,000 as indicated in the contract contrary to Section 60 (14) of PPA, CAP 410
RUWASA- MWANZA			
AE-102/2022-2023/MAR/W/04 for Construction of Hunyari Phase I Water Supply Project at Bunda District in Mara Region	M/s Make Engineering and Water Works Limited	853,745,611.40	The audit revealed that, there was ambiguity in the evaluated, negotiated and contract amount for this tender. The bidder was invited for negotiations because tender amounts of TZS 833,680,348.60 was higher compared to Engineer's Cost Estimates of TZS 816,183,308.60 but the award of contract at TZS 853,745,611.40 was higher than the original negotiated amount. Also, there was confusion among evaluation committee, negotiation committee, PMU and tender board in deciding whether the amount to be contracted should be VAT inclusive or exclusive
RUWASA-GEITA			
AE-102/2021-2022/GET/W/30 LOT II for Geophysical survey drilling, pumping test water quality analysis and capping twenty-two (22) 100m productive boreholes at Mbogwe and Bukombe District in Geita Region	M/s Samka Contractors Ltd	667,461,890.00	The audit observed that, there was additional quantities of works for contract No. AE-102/2021-2022/GET/W/30 Lot II which increased rate per item compared to rates in the original contract. The audit noted an increase of TZS. 1,285,769.00 for each 1 added borehole which resulted to a total of TZS 18,000,770.00 for 14 boreholes.
RUWASA-MANYARA			

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
AE/102/2022-2023/DOM/W/08 for Construction of pumped Water supply Project at Haneti Village in Chamwino District in Dodoma Region	M/s Judex Construction Co. Ltd	1,129,270,576.80	The bidder M/s Seba Construction and Drilling Limited with quoted price of TZS. 1,093,451,474.00 was disqualified on the criteria which required submission of properly filled BoQ during technical evaluation according to detailed evaluation report, while M/s Judex Construction Co. Ltd with a bid of TZS. 1,129,270,576.80 was qualified and awarded the tender while did not meet the same criteria. However, such criteria were not stated in e - Procurement system. The audit revealed that M/s Seba Construction and Drilling Limited submitted lowest bid price compared to that of M/s Judex Construction Co. Ltd. Also, it was revealed that in detailed evaluation report on technical evaluation the evaluation committee disqualified two bidders namely; M/s. SEBA Construction and Drilling Limited & HAMWA Construction CO. LTD while in e-Procurement system they were qualified with score of 100% and their financial reports were evaluated.
MTUWASA			
AE/041/2022-2023/HQ/G/15A for Supply of Fittings and Special at MTUWASA in Mtwara Region.	M/s Multicable	159,104,682.00	During the review of evaluation report in tender No. AE/041/2022-2023/HQ/G/15A, it was noted that the evaluation committee recommended award to M/s Multicable who was ranked as third evaluated bidders during financial evaluation and leaving M/s Nyamanolo Investment Ltd at a bid price of TZS 96,860,064.01 who was disqualified without justification. Hence resulted into a loss of TZS. 62,244,617.99.
TANROADS KILIMANJARO			
AE/001/2022-23/KIL/W/T021/03 for Routine/Recurrent and Periodic Maintenance Works along HimoJct - Holili Customs Roads, Routine/Recurrent Maintenance works along Himo - Marangu Mtoni - Tarakea, Marangu Mtoni - KINAPA, Kilacha - Mwika Road	M/s Ngenda Construction Co. Ltd	717,720,000.00	The audit observed that, bidder, M/s Ngenda Construction Co. Ltd was disqualified for failure to meet requirement of Technical Specification (Financial Capability). The Tender Board approved award of tender to the responsive Bidder, subject to successful pre-contract negotiation on price to meet the available budget but pre-contract negotiations was not successful. The TB decided later to waive the qualification criteria and instructed PMU to inform Evaluation Committee to re-evaluate the tender and invite the eliminated Bidder M/s Ngenda Construction Co. Ltd for pre-contract negotiation for the purpose of revising the submitted tender price to meet allocated budget. The Tender Board decisions were inconsistency and possibility of biasness by targeting a certain Bidder.
AE/001/2022-23/KIL/W/T021/06 for Bridge Major Repair along MaranguMtoni and Bridge Preventives on Regional and Trunk Roads	M/s Kifuko Furniture & Contractors Ltd	1,039,665,750.00	Bidder No. 1 (M/s Kifuko Furniture & Contractors Ltd) was disqualified on the reasons that, submitted documents for eligibility and verification were unreadable hence Evaluation Committee failed to verify VAT, CRB, TIN and Business licence. During review of evaluation report and deliberation for contract award the TB revealed that, the documents were not downloaded. The TB instructed the same to be downloaded and tender be re-evaluated after waving other all criteria which disqualified bidders. Thereafter, the documents were evaluated and bidder qualified for Technical Evaluation stage. The DRTB approved award of contract on 03 August 2022 to the Bidder 1, (M/s Kifuko Furniture & Contractors Ltd) who was non-substantially responsive for failure to meet technical qualification criteria on qualification of required Site Manager/Site Agent and Materials Engineer.

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
AE/001/2022-23/KIL/W/R294/27 for Routine/ Recurrent Maintenance and Bridge works along Same kwa Mgonja - Makanya, Upgrading to Double surface Dressing of Makanya - Suji and Routine/ Recurrent and Periodic Maintenance works along Same kwa Mgonja - Gunge Bridge - Hedaru and Bangalala - Ndolwa Road	M/s Gloda Construction	1,709,520,000.00	Four (4) bidders applied for the tender, one bidder M/s Gloda Construction company Ltd was disqualified for failure to submit historical on non-performance and pending Litigation. The Tender Board approved award of contract to the lowest evaluated and responsive Bidder, M/s Rocktronic subject to successful negotiation on price to meet the available budget but negotiation was not successful. In return, the Tender Board instructed PMU to inform Evaluation Committee to re-evaluate the tender and invite the eliminated Bidder, M/s Gloda Construction Co. Ltd for pre-contract negotiation for the purpose of revising the submitted tender price to meet allocated budget. The Tender Board decisions were inconsistency and indication of biasness by targeting a certain Bidder.
AE/001/2022-23/KIL/W/13 for Routine/Recurrent Maintenance along Bomang'ombe - SanyaJuu	Fatu Kibe	19,453,360.00	The tender evaluation reports indicated that, the lowest evaluated bidder was M/s Runekul Enterprises who was subsequently recommended for award by evaluation team at contract price of TZS 16,978,513.00. However, review of TB minutes indicated that the approval for contract award was made to M/s Fatu Kibe at contract price of TZS 19,453,360 which is an increase of TZS 2,474,847 without any justification or reasons recorded in the minutes of TB meeting.
PO-RALG			
ME/022/2022/2023/HQ/G/21 for Procurement of specialized equipment and assistive devices for primary and secondary students with special needs	M/s Mbessa books distributor	4,229,500,000.00	<p>Amendment of SCC for amount of Advance Payment Guarantee from 15% to be 50% was made in the signed contract without TB approval and justification records. Clause 24 of SCC which amend GCC 19.1 specify that advance payment shall be limited to 15% of contract price. While the SCC in the signed contract in the same clause specify that advance payment shall be 50% of the contract price without any justifiable reason.</p> <p>Review of the statement of requirements, contract documents and delivered goods for contract No. ME/022/2022/2023/HQ/G/21 revealed the records of final quantities delivered in one of the sampled schools namely Nkuhungu Primary School did not correspond with those reflected by the actual quantities as per distribution list. Distribution list specified items to be delivered were, nine (9) Manual Wheel Chair with table, four (4) set of Clutches Axillary and four (4) set of Clutches elbow. However, the verification indicated that four (4) set of Clutches Axillary were not delivered though there was a receipt voucher of Dodoma Municipal Council evidence the receipt of the identified items delivered and accepted for payments.</p>
ME/022/2022-23/HQ/NC/12 for provision of catering services	M/s Villa Catering	589,443,219.00	Overpayment of TZS 14,077,042.70 for delivered services. The review of procurement file, payment voucher, payment remittance and invoice submitted by the bidder M/s Villa Catering in tender No. ME/022/2022-23/HQ/NC/12 worth TZS 589,443,219 for Provision of catering services revealed that supplier submitted invoice for payment on 25 th June, 2023. However, the PE paid the supplier TZS 603,520,261.70 on account to UMISSETA which was overpayment of TZS 14,077,042.70
MINISTRY OF HEALTH			

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
ME/007/2022-2023/HQ/NC/36 for procurement of the provision of an events-based approach to engaging communities through Artists, media, and Celebrities aiming at Social and behavioural change to increase COVID-19 vaccine uptake and Prevention of Ebola Disease in 8 Regions (Tanga, Rukwa, Manyara, Simiyu, Singida, Mgororo, Katavi, and Pwani)	M/s E-FM Company Ltd	3,895,000,000.00	MOH used a single procurement method without reasonable justification for Tender No. ME/007/2022-2023/HQ/NC/36. Records show that the tender was in the Annual Procurement Plan and it was planned before to be conducted through single-source procurement, so the reason for selecting single-source procurement due to the time constraint was not sufficient justification.
ME /007/2022-2023/HQ/C/62 for Provision of Consultancy Services for the Proposed Construction and Rehabilitation of Shinyanga RRH	M/s Volumetric Arch Consult Ltd	411,082,500.00	The audit team observed that evaluation teams failed to consider the evaluation criteria stated in the tender document and disqualified based on minor deviations for example bidder M/s Ianmac Technologies was disqualified due to the reason that his framework contract from GPSA was not stamped. This led to lack of fairness and equal treatment of all bidders.
ME/007/2022/2023/HQ/G/08 for Supply of stationery	M/s Softnet technologies Ltd	294,281,885.05	The Audit revealed that, evaluation team disqualified the bidder due to a minor deviation from the evaluation criteria for Tender No. ME/007/2022/2023/HQ/G/08. The bidder M/s Ianmac Technologies was disqualified due to the reason that his framework contract from GPSA was not stamped. This leads to a lack of fairness and equal treatment of all suppliers.
ME/007/2022-2023/HQ/G/146 for Stationeries and office consumables	M/s East African Technology Limited	1,200,000,000.00	The audit observed that on contract No. ME/007/2022-2023/HQ/G/146, MOH made a payment of TZS 1,270,769,338.00 to M/s East African Technology Limited for the non-delivered goods. From the review of the document revealed that, on 22 December, 2022 the MOH entered a one (1) year contract (Framework Agreement) with the supplier East African Technology for the Supply of Stationeries and Office Consumable. The audit reviewed the implementation of the contract and noted that, a payment of TZS 1,270,769,338.00 was made to the supplier without supporting documents
ME012/2022-23/HQ/G/69 (for Supply of 200 Laptop Computers)	M/S Alkanet (T) Limited	460,200,000.00	M/S MASUMIN PRINTWAYS AND STATIONERY LIMITED whose bid price TZS 351,750,000 was unfairly disqualified. This led to the award of contract to M/S ALKANET (T) LIMITED at contract price of TZS 460,200,000 that caused loss of TZS 108,450,000. The reason for disqualification of the bidder was non-attachment of stamped technical specifications. However, the review by the audit noted that stamped technical specifications was submitted by the bidder. The bidder issued with letter of intention informed him that, his bid was not successful because he submitted bid security for securing of Furniture and Fittings. However, the audit observed that the bidder submitted bid security No. G/ABCT/029/23 which was for supply of 200 laptop computers.
MINISTRY OF FOREIGN AFFAIRS AND EAST AFRICAN COOPERATION			

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
ME/013/2022-2023/HQ/W/04 (Proposed Rehabilitation Works for Office Building (Chancery), High Commissioner's Residence, Administration Attaché Residency, And Head of Chancery Residence for the Tanzania High Commission in Pretoria South Africa)	M/s TS Solutions SA(PTY) LTD	1,251,311,817.70	Review noted Contractor M/s TS Solutions SA(PTY) LTD was Paid Advance Payments without submission of Advance Payment Guarantee as opposed to SCC. 45 which require that Advance Payment to be paid upon submission of advance payment Bank Guarantee (USD 523,561.43). Also, the contract was not signed by contractor
ME-013/2022-2023/HQ/C/01 (geotechnical investigation for African Court on human and people's right at Arusha Tanzania)	M/S Arusha Technical Collage & M/s ARU Built Environment Consulting Company Limited (ABECC)	2,956,000,000.00	Procuring entity had procured another consultant M/S Arusha Technical Collage to perform geotechnical investigation worth TZS 59,245,632.00 which is part of assignment of M/s ARU Built Environment Consulting Company Limited (ABECC) contract worth TZS 2,956,000,000.00 as stipulated in scope of Services in ToR Part 1, A Preliminary Investigations and designs.
			The consultant started performing the assignment before signing of the contract. This was evidenced by date of signing the contract 6 May, 2023 while deliverables were used to procure the contractor who signed the contract on 6 March, 2023.
			BoQ contain uncorrected error of USD 24,405.035. BOQ for the project was separated into four (4) lots which corresponds to four buildings for rehabilitation works. Each lot included Bill of Preliminaries and general conditions, Insurance Clauses, Bond and Contingency. In due of analysis of BOQ, three findings we e observed; i) The four bills in the BOQ were not supposed to appear in each Lot because the PE intended to procure a single contractor. ii) BoQ contains excess of Insurance Clauses by USD 55,000 contrary to SCC No. 18 which describes minimum insurance cover for the project with a total of USD 25,000. iii) BOQ wrongly contains clause 31 of a surety bond of USD 37,624.09 being 10% for each cost of the lot while in the contract clause 31 describes issues of aberration.
DRUGS CONTROL AND ENFORCEMENT AUTHORITY			
IE/008/2022-2023/W/1 for Construction of Office Building in Dodoma	M/s. HAINAN International.	25,034,787,968.47	The review of tender No. IE/008/2022-2023/W/1 revealed that correction of errors was done to the bids submitted by M/s. CRJE and M/s. HAINAN International. On the case of bid submitted by M/s. CRJE, error was corrected by reducing TZS -178,806,743.00 that change bid from TZS 26,438.326.743.00 to 26,259,530,340.46. The same, bid submitted by M/s. HAINAN International was increased to the tune of TZS 869,107,432.47 from the submitted price of TZS 24,165,680,545.00 to TZS 25,034,787,968.47. Despite the fact that both contractors confirmed the corrected amounts, there was no justification attached to the Tender Evaluation Report nor in e - Procurement system for the amounts corrected. The evaluation report recommended award to M/s. HAINAN International at TZS 25,034,787,968.47 inclusive of the uplifted amount of TZS 869,107,432.47.
TANROADS - SINGIDA			

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
AE/001/2022-2023/SG/W/23	M/s Madata Investment Ltd	310,055,000.00	Lowest bidders from two different tenders were disqualified under the same minor criteria which could be rectified at the award stage. On the evaluation of tender bidder No. 1 with the quote price of TZS 277,000,000 was disqualified at illegibility verification stage for submitting the power of attorney without board resolution and the tender awarded to bidder No. 2 with the highest quoted price of TZS. 310,055,000.
AE/001/2022-2023/SG/W/49 Provision of Road Safety Invention and Environmental and Lot No. 2 Installation of Important Road Signs for People with Disabilities	M/s Mtwivila Traders and Construction Ltd	999,750,000.00	Evaluation of tender No AE/001/2022-2023/SG/W/49 and Lot No. 2, bidder No. 1 with a quoted price of TZS. 800,651,000.00 was disqualified using minor criteria for submitting the power of attorney without board resolution that could be rectified at the award stage, the tender was awarded to the bidder with highest quote price of TZS 999,750,000. Item 3.2.2 of the evaluation report titled verification with sub item titled verification examination state that "bidder No. 1 submitted power of attorney that misses the paragraph for validity period"
DAWASA			
AE/033/2021-2022/W/04 LOT 1, 2 & 3 for Desludging of oxidation ponds in order to improve efficiency	M/s CIAHCOM Company	1,166,164,500.00	The tender evaluation committee members recommended the award of contract to M/s CiaCom Company who did not have the respective qualification for Lot 2. The tender document required the bidder to be registered as class five either civil or building categories but while submitting this bid did not have the respective class. Company was updated to class five on June 2023 having registration number C5/1451/06/2023 and B5/1601/06/2023.
AE/001/2022-23/AZM/W/03 for Periodic maintenance works along Mwanza-Shinyanga boarder road.	M/s Nyanza Road Works	1,396,049,200.00	During review on the bid submitted according to the record of online bid opening it was observed that, bid prices for this tender was exactly the same as TANROADS Mwanza cost estimates. Further review found out that bidder whose bid price resemble to the cost estimates finally was awarded the tender. It is an audit opinion that there is possibility that cost estimates are exposed to the bidders by unethical staffs which hinders fair competition and attaining of value for money in government projects.
AE/001/2022-23/AZM/W/04 for Periodic maintenance works along Nyakato-Buswelu-Mhonze road (DSD)	M/s Msunangi Construction Co. Ltd	2,326,627,259.00	It was observed that, bid prices for this tender was exactly the same as TANROADS Mwanza cost estimates. Further review found out that bidder whose bid price resemble to the cost estimates finally was awarded the tender. It is an audit opinion that there is possibility that cost estimates are exposed to the bidders by unethical staffs which hinders fair competition and attaining of value for money in government projects
AE/001/2022-23/AZM/W/05 for Periodic maintenance works along Mwanza-Airport and Mwanza urban Roads (installation of street lights & traffic light)	M/s American Engineering	1,176,980,900.00	It was observed that, bid prices for this tender was exactly the same as TANROADS Mwanza cost estimates. Further review found out that bidder whose bid price resemble to the cost estimates finally was awarded the tender. It is an audit opinion that there is possibility that cost estimates are exposed to the bidders by unethical staffs which hinders fair competition and attaining of value for money in government projects

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
AE/001/2022-23/AZM/W/13 for Periodic Maintenance works along Kamanga - Katunguru - Nyamadoke and Bukokwa - Nyakalilo roads and Routine and Recurrent works along Kamanga - Katunguru - Nyamadoke and Bukokwa - Nyakalilo road	M/s Gipco Construction Ltd	801,517,040.00	It was observed that, bid prices for this tender was exactly the same as TANROADS Mwanza cost estimates. Further review found out that bidder whose bid price resemble to the cost estimates final y was awarded the tender. It isa audit opinion that there is possibility that cost estimates are exposed to the bidders by unethical staffs which hinders fair competition and attaining of value for money in government projects
AE/001/2022-23/AZM/W/23 for Periodic maintenance, rehabilitation works, routine and recurrent works along Nyehunge-Kahunda and Bupandwamhela-Kanyala roads.	M/s MATS Engineering Ltd	829,222,450.00	It was observed that, bid prices for this tender was exactly the same as TANROADS Mwanza cost estimates. Further review found out that bidder whose bid price resemble to the cost estimates final y was awarded the tender. It isa audit opinion that there is possibility that cost estimates are exposed to the bidders by unethical staffs which hinders fair competition and attaining of value for money in government projects
AE/001/2022-23/AZM/W/24 for Periodic Maintenance works, Rehabilitation works, Routine and Recurrent works along Masonga - Rugezi road	No info	676,062,250.00	t was observed that, bid prices for this tender was exactly the same as TANROADS Mwanza cost estimates. Further review found out that bidder whose bid price resemble to the cost estimates final y was awarded the tender. It isa audit opinion that there is possibility that cost estimates are exposed to the bidders by unethical staffs which hinders fair competition and attaining of value for money in government projects
DAR ES SALAAM CITY COUNCIL			
LGA/018/DCC/2022/2023/HQ/G/18 for supply of Desk and Chairs for Secondary Department	M/s Mkopi Furniture Centre	499,920,000.00	Award of contract without Tendering process. It was observed that the tender was transacted without procurement process whereby no bid document or invitation issued to bidder, the form of contract/LPO. Engagement of Supplier without formal contract/agreement with clear stipulation of the Terms and Conditions of the Contract entered between two parties.
LGA/018/DCC/2022/2023/HQ/W/90 for Construction of Classrooms at Mnazi Mmoja Secondary School	M/s Light Builders Co. Ltd	1,800,000,000.00	It was observed that DCC used Single-source method instead of National Competitive Tendering as indicated in Annual Procurement Plan and Bidding Document without reasonable justifi ations.
LGA/018/DCC/2022/2023/HQ/W/255 for Construction of Classrooms at Minazi Mirefu Secondary School	M/s COYESA Company Limited	1,798,834,299.00	It was observed that DCC used Single-source method instead of National Competitive Tendering as indicated in Bidding Document without reasonable justifi ations. Additional works amounting to TZS. 213,158,268.00 not in original contract without Tender Board approval.
LGA/018/DCC/2022/2023/HQ/W/23 for Rehabilitation of Abattoir and Butchers at Vingunguti Abattoir	M/s JECEN Building Contractors	576,430,000.00	It was observed that DCC used Restricted National Competitive Tendering method instead of National Competitive Tendering as indicated in Bidding Document without reasonable justifi ations.
LGA/018/DCC/2021/2022/HQ/W/250 for Construction of Mchikichini Health Centre	M/s Humphrey Construction	5,298,420,361.00	It was observed that DCC used Restricted National Competitive Tendering Method instead of National Competitive Tendering as indicated in Bidding Document without reasonable justifi ations.
LGA/018/DCC/2021/20222/Bonyokwa Sec.S/01 for Construction of Storey Classrooms Block at Bonyokwa	M/s AMTEC Consulting Company Ltd	1,724,034,561.00	It was observed that DCC used Restricted National Competitive Tendering Method instead of National Competitive Tendering as indicated in Bidding Document without reasonable justifi ations.

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
LGA/018/DCC/2022/2023/HQ/G/58 for Purchase of Desk and Chairs for Secondary Schools in Dar es Salaam	M/s Mamas Fursa Group	700,000,000.00	Inappropriate selection of procurement method. The invitation for tender was through mini competition forms contrary to the limits of procurement methods and prescribed threshold under Section 64 (1) of Public Procurement Act, Cap 410 read together with the Seventh Schedule of GN No. 446 of 2013 as amended which state the threshold per tender of the application of National Shopping for goods is TZS 120,000,000 while the estimated value of tender in question was far above that limit.
			Payment of Advance payment of TZS 500,000,000 without Bank Guarantee advance payment was paid to the Supplier by submitting the Insurance Bond contrary to the Guideline of Securities issued by the Authority. Furthermore, advance payment was 71.4% is against the best practice which requires advance payment to be between 0% - 15%.
		502,768,890.16	Award of contract without Tendering process, whereby no bid document or invitation issued to bidder, the form of contract/LPO, to include all conditions and terms of payment not available, and no bid/quotation submitted by bidder. Engagement of Service Providers without formal contract or agreement with clear stipulation of the Terms and Conditions of the Contract.
LGA/018/DCC/2021/2022/HQ/NCS/30 for Controlling of Wrong Parking at Dar es Salaam City Council	M/s Tambaza Auction Mark & M/s General Brokers Ltd		Deliberately alteration of criteria set during the bidding to the signed Contract without Tender Board's approval. The commission to be paid is 25% against 75% to pay to the City Council in the bidding document. But later it was raised in the signed Contract to 36% and 64% without formal negotiation.
TEMEKE MUNICIPAL COUNCIL			
LGA/016/2021-2022/HQ/C/02 for Consultancy Services for Design Review, Design and Construction Supervision of Hospital Building to be Built at Mbagala Rangitatu	M/s Bureau for Industrial Cooperation College of Engineering and Technology (BICO)	437,715,000.00	TMC used Restricted Tendering without prequalification of bidders and procurement was done outside the system (TANePS).
LGA/016/W/2022-2023/LMSS/01 LOT 6 - Construction of eight classrooms for secondary School Lumo in Temeke Municipal Council	Project implemented under force account approach, Involve various service providers	99,213,452.00	Quotations issued to three bidders were not uniform in terms of quantities.
LGA/016/W/2022-2023/MBNDHC/01 for Construction of Theatre for Mbande - Chamazi Hospital	Project implemented under force account approach, Involve various service providers	150,000,000.00	TMC awarded the contractor the phase two contract without procurement.

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
LGA/016/2022-2023/HQ/W/158/LOT1 - 4	M/s Bandiko Construction Co. Ltd	2,483,150,884.00	TMC split the tender of similar nature into 4 lots without any justification. The tender document contained inadequate bidding conditions and the tender was processed through Restricted National Competitive Tendering without justification of using such method. However, all 4 lots were awarded to M/S Bandiko Construction Co. Ltd.
			TMC awarded the contract for phase one, but the contractor continued with phase two without any notice (LOT 2).
KINONDONI MUNICIPAL COUNCIL			
LGA/017/2021-22/HQ/W/19 Construction of Six Classrooms with 10 Toilets Holes Block to Be Built at Mkwawa Primary School KMC	Project implemented under force account approach, Involve various service providers	34,730,000.00	Three bidders were issued quotation with same invitation date which is 12 th December 2022 while the invitation date in the document issued to the awarded bidder was 6 th December 2022.
LGA/017/2022-23/HQ/W/11 proposed completion of Construction of First Floor Classrooms at New Kunduchi Primary School	Various suppliers of building materials	56,851,500.00	Suspicious similar handwriting on eighteen quotations from three suppliers
LGA/017/2022-23/HQ/W/86 for Upgrading of Jamirex (Msikitini 0.2km –Kimbiji 0.2km –zahanati 0.2km and Nakiette 0.4km).	M/s. Southern link	1,754,696,703.00	Review of contract No. LGA/017/2022-23/HQ/W/86 observed that there were two contract amounts, that were 1,487,031,105 VAT inclusive recommended by TB and TZS 1,754,696,703 VAT inclusive communicated award to contract.
			KMC issued advance payment of TZS. 263,204,505.5 to contractor which is 15% of 1,754,696,703 VAT and contractor submitted performance guarantee of TZS 148,703,110.5 which is 10% of TZS. 1,487,031,105 VAT inclusive.
KIGAMBONI MUNICIPAL COUNCIL			
LGA/181/2022-2023/HQ/18 Procurement of new motor Grader 165-200HP	As of audit date award of contract was not made	500,000,000.00	Proforma invoice was submitted by supplier before procurement initiation.
			The procurement process was cancelled and re-advertised without a TB approval.
LGA/181/2022-2023/ES/W/01 Supply of 680 desks for secondary school.	M/S Ruviri Investment company	51,000,000.00	No procurement process was done to obtain the awarded bidder for supply of desk for Secondary School.
SENGEREMA DISTRICT COUNCIL			
LGA/094/2022-2023/W/01 Construction of Sengerema District Council Office Buildin	Ngonek & Building Construction LTD	3,358,033,175.00	Advance payment guarantee submitted was 15% (TZS 503,704,976.25) of the contract sum but the advance payment made was 25% (TZS 839,508,293.75) of the contract sum.
LGA/094/2022-2023/FA/W/27/ A-E Construction of District Hospital	Involve various service providers	740,000,000.00	Procurement process was for acquisition of Local Fundi, but signed Contracts contained both labour and Supply of Construction Materials.

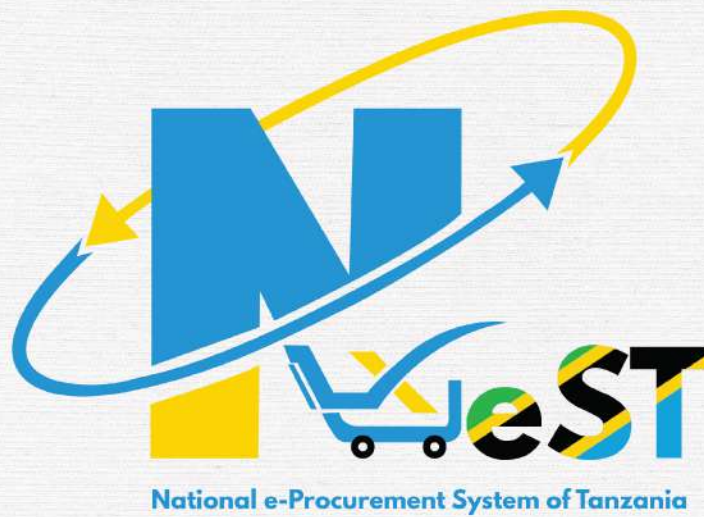
Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
LGA/094/2022-2023/W/02 Construction of Residential House for District Executive Director at Sengerema District Council	Kongeja S. Kadumya	140,000,000.00	Procurement process was for acquisition of Local Fundi, but signed Contracts contained both labour and Supply of Construction Materials.
ARUSHA CITY COUNCIL			
LGA/003/2022 - 2023/NC/09 Lot 1 – 25 Tax Collection on Environmental Pollutant Capture Agency (Uchafuzi wa Mazingira)	Various service providers	28,791,120.00	All contracts which were awarded to M/s Nange Auction mart and Debt Collectors and signed (i.e., Lot 10, 11, 12, 14, 15, 17, 20 and 21) were withdrawn on the basis that the service provider was among those with pending debts with ACC. However, there was no Tender Board approval for approval of cancellation/termination A total of TZS. 28,791,120 revenue collection under Lot 1 – 25 was not remitted.
LGA/003/2022 - 2023/NC/10 Lot 1 – 25 Tax Collection on environmental cleaning solid waste collection agency	Various service providers	190,937,600.00	Bidder, M/s Mzinga Women Group and M/s Watunza Mazingira Group did not met evaluation criteria. However, recommended for award. A total of TZS 48,597,320 revenue collection under contracts No. LGA/003/2022-2023/NC/10 Lot 1 – 25 was not remitted.
LGA/003/2022-2023/W/47 Lot 1-4 Spot improvement/periodic maintenance along Kimandolu-Nazareth-Suye 2.0 KM, Moivaro-Geti	M/s Jotech for Lot 3	334,235,000.00	Contract for Lot 3 was recommended, approved and awarded to the second lowest evaluated bidder; M/s Jotech at contract price of TZS 334,235,000 leaving the lowest evaluated bidder M/s Zeco with tender price of TZS 218,150,000. The notice of intention to award was issued for Lot 1 on 25 May 2023. However, Bidder, M/s Zeco Construction Ltd who was the successful bidder rejected the contract award through letter dated 27 May 2023 on the ground that the project was not the best fit for the company's current goal and resources. The Authority did not observe any initiative taken by the ACC to report the matter to the Authority for initiation of debarment process.
LGA/003/2021-2022/RSP/C/03 - Designed and Drawings Review, Preparation of Tender Document and Construction Supervision of Construction of Administration Block for Arusha City Council-HQ	M/s Sansutwa Simtali Ltd and M/s Kapwani	299,990,000.00	Single source procurement method was used without justifications; and Payment of TZS. 134,995,500.00 which is 45% of contract price was made to the Consultant, M/s Sansutwa Simtali Ltd in Association with M/s Kapwani Architects for submission of a) Initial/inception report (10%), b) Detailed assignment activities report (20%), and submission of Final Design, Drawings Review Reports (15%). However, the referred reports were not submitted and amount of TZS 89,997,000 was paid.
No. LGA/003/2022-2023/C/02 - Provision of design review and supervision of construction works	M/s Sansutwa Simtali	195,929,800.00	Single source selection method was used without justifications; and The Consultant; M/s Sansutwa Simtali was paid a total of TZS 117,557,880 for preparation of inception report (15% of contract sum) and Design and Tender Document Service Report (30% of total contract sum). Engagement of the Consultancy was delayed and consultancy contract commenced when the contract for construction of works was already lapsed for seven (7) months.

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
TARURA RUVUMA			
AE/092/2022-2023/RVM/W/67 Construction of Lined Ditch and Concrete Protection Works along Mjimwema Road in Mbinga Town	M/s. Vans Construction limited	56,901,897.32	Single Source method of procurement was used without justification. Also, the assessment revealed that estimated budgets for tenders in APP was TZS 56,901,897.32 while the quoted amount by bidder was TZS 59,218,875.00 with a slight deviation.
AE/092/2022-2023/RVM/W/64 Urgent Maintenance Works along Mapera-Mikaranga-Ilela 13.96km and Mitawa-Ilela 3km road	M/s. Vans Construction limited	671,079,130.00	Single Source method of procurement was used without justification. Also the assessment revealed that estimated budgets for tenders in APP was TZS 672,430,000.00 while the quoted amount by bidder was TZS 671,079,130 with a slight deviation.
AE/092/2022-2023/RVM/W/59 Construction of Small Span Concrete Bridges at Kimara B, Kimara C, Limara D	M/s. VAG Contractors Ltd	120,928,000.00	Single Source method of procurement was used without justification. Also the assessment revealed that estimated budgets for tenders in APP was TZS 121,601,000.00 while the quoted amount by bidder was TZS 120,928,000.00 with a slight deviation.
MBEYA CITY COUNCIL			
LGA/069/2022-2023/G/OLD-CH/01 and 02 Supply and Fix of Paving blocks and Kerbstones for Construction of Old Airport Machinga Market.	M/s. Maghabe Holding Co. Ltd	174,471,000.00	Supplier was paid a total amount of TZS 165,100,340.28 for the supply of paving blocks 5325 square meters and 740 Metres of Kerbstones. During site verification it found out the actual quantities supplied were 3794 square meter of paving blocks and 471 Metres of kerbstones hence overpayment of TZS 44,169,558.28.
TUNDUMA TOWN COUNCIL			
LGA/167/TTC/2022/2023/HQ/W/03 for Proposed completion of Administration Block phase III	United Brilliant Solution LTD	1,163,602,511.00	Contractor was required to submit performance bank guarantee amounting to TZS 116,360,251.10 before signing ceremony. But no performance bank guarantee was submitted by contractor as required by SCC clause 15. Overpayment of Advance payment amounting to TZS. 58,180,125.55. Clause 26 of SCC required contractor to be paid 15% of contract amount which is TZS. 174,540,376.65 as advance payment. It was noted that requested advance payment of 20% which is TZS 232,720,502.20, the same was paid.
LGA/167/TTC/2022/2023/W/02 - Construction of Dkt Samia S.H girl's high school	Erick Chaula	172,956,500.00	The Authority review noted LPO 00902030P02300273 dated 28 May, 2023 issued to supplier Erick Chaula and was paid TZS 172,956,500 vide PV 00902030V2302324 dated 02 June, 2023. During site visit conducted on 22 nd August, 2023 found that 1073 bags of cement and 134 louvers were not received equivalent to TZS 18,696,400.00.
TARURA MWANZA			
AE/092/2022/2023/MZA/W/49 for Periodic Maintenance (10.0Kms) and Construction of Bridge along Ngudu-Ishingisha road.	M/S. Clear Link (T) Limited	504,147,500.00	The audit established physical measurement on length of bridge (deck) and noted the length is 71.20m while in drawings the length of the bridge is 81.18m which makes the difference of 9.98m. During physical verification and enquiry from locals, The Authority observed that the road was not maintained despite of payment of TZS 49,700,000 to contractor.

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
AE/092/2022/2023/MZA/W/64 for Upgrading of Kirumba Street Roads (Kiyungi 0.490km, Magomeni 0.610km, Kabuhoro - Ziwani	M/S. Nyanza Roads Works	998,257,169.62	Contractor did not submit to the client an insurance cover, however was paid TZS. 9,529,990.00 for the same through IPC no. 1, valuation package 1. Item no. 13.01(b), (c), (d).
			The Contractor was paid TZS 5,853,999.00 through IPC no. 1, valuation package 1. Item no. 13.01(a), for cost of providing performance securities while the contractor submitted Performance Securing Declaration
AE/092/2022/2023/MZA/W/65 for Major Rehabilitatin of Nyegezi Stand Roads in Nyamagana District	M/S. Mumangi Construction Co. limited	604,188,502.70	Contractor did not submit to the client an insurance cover , however was paid TZS 10,000,000.00 through IPC no. 1, valuation package 1. Item no. 13.01(b), (c), (d).
			Contractor was paid TZS 5,000,000.00 through IPC no. 1, valuation package 1. Item no. 13.01(a), for cost of providing performance securities while the contractor submitted Performance Securing Declaration.
MWANZA CITY COUNCIL			
LGA089/2022-2023/NC/06 for collection of solid waste revenue with transportation.	Various service providers	36,000,000.00	Notice of intention to award the contract issued to participated bidders did not state the intended bidder for award and the price.
			Tempering with quoted prices; whereby the quoted price by M/S. Zimaja was TZS. 2,200,000.00, however, it was recorded as TZS. 4,200,000.00 and the estimated budget for the tender was TZS. 6,000,000.00 per month. Likewise, quoted price by M/S. Cresant Enterprises Co. Ltd was TZS. 8,200,000, but was recorded as TZS. 6,400,000.00 just to be a bit higher than M/S. Mazenge Investment Company Ltd who quoted TZS. 6,200,000.00.
LGA089/2022-2023/G/01 for supply of office furnitu e	M/s. Mwanamwaka Enterprises	18,200,000.00	Tender was not evaluated and goods were received without inspection by Inspection and Acceptance Committee
LGA089/2022-2023/NC/07 for revenue collection	M/s. Honya General Enterprises	41,205,560.00	The Authority noted award of the tender was made to the 4th ranked tenderer i.e., M/S. Honya General Enterprisesat a price of TZS. 41,205,560.00 per month Instead of M/S. Rashid Hamad Nassoro whose price was TZS. 45,298,000.00 per month or other two tenderers whose prices were higher than Honya, i.e., TZS. 45,225,600.00 and TZS. 43,162,500.00.
ILEMELE MUNICIPAL COUNCIL			
LGA/159/2022/23/G/22 - for procurement of two (2) skip loaders for solid waste management services	M/s Puma Logistics Solution Limited	89,916,000.00	Three (3) suppliers who participated in tender were not pre-qualified nor app oved by tender board.
LINDI MUNICIPAL COUNCIL			

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
Purchase of iron bars for dormitory at Nangaru Secondary School; and Kingurungundwa Primary school	Fardin Iqbal Suleiman	59,166,520.00	Review of procurement process and payments vouchers for supply of building materials for construction projects used Force Account approach at LMC, noted that 13 awarded quotations for 13 different procurements from 39 bidders had similar handwriting, this developed suspicious that the quotes were from single bidder contrary to Section 63 (2) which requires PE to conduct procurement in a manner that maximizes competition and achieve value for money and Section 68 of PPA, CAP 410 that requires PEs to prepare a tender notice inviting tenders to submit priced offers and the notice shall be approved by the TB.
Purchase of iron sheets for dormitory at Nangaru Secondary School	Ally Bushiri Khaji	14,989,100.00	
Purchase of materials for beds	M/s. ASEM TZ Company	21,606,746.00	
Purchase of electrical items for grand school	M/s. Live Trading Centre	27,169,000.00	
Purchase of timber for grand school	M/s. AFA PLUS	4,910,000.00	
Purchase of building materials	Shamte Said Papa	12,178,460.00	
Purchase of 5000 bricks and cement;	Ahmed Juma Mikapa	22,647,800.00	
Purchase of building materials	Mohamed Alli Makanjila	8,820,000.00	
Purchase of timber for Kingurungundwa Primary school	M/s. Matemwa Hardware and Building material	7,148,120.00	
MTWARA MUNICIPAL COUNCIL			
2023-000059 for supply of Aggregates and sand	M/s. Idogema supply	2,763,600.00	In payments vouchers for supply of building materials for construction projects used FA approach, it was noted that nine quotations worth TZS. 8,656,928.00 for three different procurements from three suppliers had similar handwriting, this developed suspicious that the quotes were from single supplier contrary to Section 63 (2) and Section 68 of PPA, CAP. 410 (R.E. 2022).
2023-000061 supply of Cement, bricks and building materials	Salim A. Esmail	3,675,000.00	
2023-000066 Supply of treated timber	Omary Y Ahmad	2,218,328.00	
TARURA COAST			
AE/092/2022-23/CR/W/79 Construction of Access Road 2KM to Sino Tan Industrial Park in Kwala,	M/s. Estim Construction Co Ltd	5,554,519,868.70	The contract was implemented under single source without justification bearing the reason of an urgent work that need to be implemented as soon as possible. Further contractor was proposed before the procurement process was started by performing similar assignment of constructing 15KM for TANROAD at Kwala area (near to the project) and thus mobilization won't be of necessity. However, the contract exceeded the initially budgeted amount of TZS 5,000,000,000.00.
AE/092/2022/2023/CR/W/9 construction of Cells Box Culverts along Mbera Road in Kibiti District	M/s. Rabco Construction Limited	998,720,000.00	Audit was revealed that the Bidder's quoted price concedes exactly with the estimated budget. This indicates highly signs of possible collusion.
AE/092/2022-23/CR/W/73 upgrading of Picha ya Ndege – Boko Timiza Road (1KM) to TARMAC Standard in Kibaha Town Council	M/s. Global Link General Contractors Limited	943,500,600.00	It was observed that the actual work performed was 0.7 KM instead of 1KM as stipulated in the contract. However, the amount paid for 1KM.
KIBAHA TOWN COUNCIL			

Project/Contract No. and Description	Contractor / Supplier / Provider	Contract Amount in TZS.	The observed corruption red flags incidences
LGA/011/2022-23/W/49 Construction of Office Buildin	M/s. United Builders Ltd	4,000,000,000.00	The project was planned to be implemented in two phases for contract price of TZS 4,000,000,000.00, phase one was construction of basement and ground floor, the contract was signed 24 June, 2011 for contract price of TZS 1,723,721,975.00. Second phase was the construction of first floor and second floor with estimated contract of TZS 2,276,278,025.00. However, during the audit review and site visit, it was revealed that, almost 12 years the project was not completed, the project was at phase VI causing the contract price to be TZS 10,364,438,467.00 contrary to the contract agreement.
LGA011/2022-23/W/51 construction of Kibaha Modern Market at CBD Area,	M/s. Elerai Construction Company Ltd	7,298,549,844.00	Kibaha TC planned to start the construction on 1 March, 2019 and completion date was 30 December, 2019 for 10 months, but as at the day of conducting the audit and site visit on 22 August 2023, almost 4 years, it was found the project was not completed
Supplies of building materials	M/s. Hanware Company Limited	394,400,000.00	Review noted that the awarded contract without competition for rehabilitation of 4 classrooms and 6 latrines at Mwendapole Primary School and Construction of 2 Dormitories and 6 classrooms at Zogowale Secondary School
KILOSA DISTRICT COUNCIL			
LGA/078/2022 - 2023/G/03 for Cement, bricks and construction materials	Project implemented under force account approach, that involve various service providers	5,584,262,586.52	It observed that the materials purchased through Tender No. LGA/078/2022 - 2023/G/03 for Cement, bricks and construction materials worth TZS 47,198,620.00 were used for Tender No. LGA/078/2022-2023/W/02 for construction of DED House. However, Tender No. LGA/078/2022-2023/W/02 for construction of DED House had a fund of TZS 150,000,000.00 which accommodated purchase of its construction materials and payments of local fundi.



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