

**THE ESTABLISHMENT OF THE OFFICE OF CONTROLLER
AND AUDITOR-GENERAL ACT NO.11 OF 2003**

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ACT NO.11 OF 2003

I ASSENT

**{ AMANI ABEID KARUME }
PRESIDENT OF ZANZIBAR
AND
CHAIRMAN OF THE REVOLUTIONARY COUNCIL**

8th September, 2003

**AN ACT TO ESTABLISH THE OFFICE OF CONTROLLER
AND AUDITOR-GENERAL FOR THE IMPOSITION AND
THE EXERCISE OF AN OVERALL CONTROL ON
PUBLIC FINANCE, AND FOR OTHER MATTERS
INCIDENTAL THERETO**

ENACTED by the House of Representatives of Zanzibar.

**PART I
PRELIMINARY PROVISIONS**

- Short title and Commencement. 1. This Act may be cited as the Establishment of the Office of Controller and Auditor-General Act, 2003 and shall come into operation immediately upon being assented to by the President.
- Interpretation. 2. In this Act, unless the content otherwise requires:
 "Accounting Officer" means any person appointed by the President and Paymaster General has delegated the duties of accounting for any service in respect of which moneys have been appropriated by the House of Representatives or any person to whom issues are made from the Consolidated Fund. An accounting officer is also a Vote Holder of the respective Government Ministry or Special Department;

“Auditor” means any qualified officer authorised by the Controller and Auditor-General to examine the accounts of ministries, government departments and Institutions where Government has control by of way shares or otherwise;

“Board” means the Audit Service Board established under section 8 of this Act;

“Constitution” means the Zanzibar Constitution 1984;

“Controller and Auditor General” means an officer appointed as such by the President in accordance with section 112 of the Constitution and where appropriate, shall include auditor or any person authorised by him to execute or exercise any function or powers conferred upon him;

“Department” in relation to a Ministry of the Government or other public authority or other body, includes any division or unit, by whatever name known of that Ministry, authority or other body;

“Government” means the Revolutionary Government of Zanzibar;

“Minister” means the Minister responsible for audit matters;

“Office” means the office of the Controller and Auditor General;

“Paymaster-General” means the Principal Secretary to the Ministry responsible for finance of the Government and include other officers acting under the authority of Paymaster General;

“President” means the President of Zanzibar and Chairman of the Revolutionary Council;

“Public accounts” means all accounts of the Government and its public enterprises which keep the records of all money received or paid out of the Consolidated Fund;

“Public moneys” include –

- (a) the general revenue of the government of Zanzibar;
- (b) any trust or other moneys held, whether temporarily or otherwise by any public officer in his official capacity either alone or jointly with any other person, whether a public officer or not.

PART II
ESTABLISHMENT OF THE OFFICE AND FUNCTIONS
OF THE CONTROLLER AND AUDITOR-GENERAL

Establishment of the Controller and Auditor General's Office.

3.(1) There shall be an office to be known as the Controller and Auditor General's Office as established by the Constitution.

(2). The Controller and Auditor General's Office shall be an autonomous body corporate and shall:

- (a) have perpetual succession and common seal;
- (b) be capable of possessing any movable or immovable property;
- (c) be capable of suing and being sued;
- (d) have power to do anything specified under this Act or any other Act;

Appointment of Controller and Auditor General and other officers.

4. The Controller and Auditor General shall be appointed by the President in accordance with the provision of section 112 of the Constitution and shall be the head of Audit department and shall have discretionary powers to arrange the programme of auditing in the manner he thinks fit.

Appointment of Deputy Controller and Auditor General.

5.(1) There shall be a Deputy Controller and Auditor General who shall be appointed by the President and who shall be the principal assistant of the Controller and Auditor General.

(2) A person shall be qualified for appointment as Deputy Controller and Auditor General if he has the following qualification:

- (a) is a holder of a degree of any recognised University relating to auditing matters; or

- (b) is a holder of any other degree with a diploma of auditing; or
- (c) has attended any training course relating to auditing matters after attaining a degree prescribed in paragraph (a) or (b) of this section and has experience on auditing matters not less than five years.

(3) The Deputy Controller and Auditor General shall, before entering upon the duties of his office, take and subscribe the oath of allegiance and other oath, as set out by the House of Representatives, which oaths, shall be administered by the President.

Auditors.

6.(1) There shall be auditors employed by the Controller and Auditor General's office to perform the appropriate auditorium functions who shall be appointed by the Board.

(2) A person shall be qualified to be appointed as auditor if he holds such qualification as shall be prescribed by the Minister after consultation with the Board.

(3) The Board shall, from time to time, promote auditors who are qualified to appropriate grade in accordance with the applicable grade of Auditors Scheme of Services.

(4) Auditor shall not be transferred to any other department or terminated from service without approval of the Audit Service Board.

(5) The staff required to assist the Controller and Auditor General in the performance of his duties shall be composed of such number of officers as the Minister may determine and shall be appointed by the Board.

(6) Every auditor shall, before entering upon the duties of his office, take and subscribe the oath of secrecy set out in the schedule to this Act, which shall be administered by the Controller and Auditor General.

Functions of the Controller and Auditor General.

7. Without prejudice to the general functions of the Controller and Auditor General specified in the section 112 of the Constitution, the functions shall include the following:-

- (a) to station in any Government Department, any person employed in his office to enable him carrying out his duties, more effectively and such department shall provide the necessary office accommodation and other facilities for any such officer so stationed;
- (b) to require every member of his staff, who is to examine the accounts of a government department to comply with any security arrangements applicable to, and to take any oath of secrecy required to be taken by officers employed in that department;
- (c) to establish such organisational structure and work procedures as may be considered necessary for smooth discharge of the functions and responsibilities of the members of his office;
- (d) to take any disciplinary action to any officer or staff employed in his office as provided under relevant laws and Regulations.

Audit Service Board.

8.(1) There is hereby established an Audit Service Board which shall consist of the following members:

- (a) a chairman who shall be appointed by the President;
- (b) the Chairman of the Civil Service Commission – Vice –Chairman;
- (c) the Controller and Auditor General;
- (d) a State Attorney from Attorney-Generals' Chambers;
- (e) two members who shall be appointed by the Minister;
- (f) the Secretary who shall be appointed by the Board from the office of Controller and Auditor General.

(2) A person may not be appointed as the chairman unless he has knowledge and experience in auditing matters, finance or economic affairs.

Functions of
the Audit
Service Board.

9.(1) The functions of the Audit Service Board shall be:

- (a) to recruit or appoint members of public to join the office of Controller and Auditor General;
- (b) to promote auditors and other staff of the Controller and Auditors General's Office;
- (c) to formulate and prescribe Staff Regulations and other administrative rules for the office and ensure their proper enforcement;
- (d) to enforce ethics, discipline and professional standard of the office;
- (e) subject to this Act and other rules made thereunder to order investigation for breach of ethics, rules or requirement against auditor or any staff employed by the office and take appropriate action against proved breach;
- (f) to terminate in accordance with the provisions of a contract, the appointment of any person serving under that contract, allowances and other benefits;
- (g) to determine the salary scale, allowances and other benefits in respect of any person recruited or appointed under this section;
- (h) to hear and determine the appeals relating to the disciplinary action taken by the Controller and Auditor General in respect of any person employed in the office of Controller and Auditor General;
- (i) to do any other thing which is incidental to the performance of its duties or may be given to it by the Minister.

(2) All decisions of the Audit Service Board relating to the civil service matters shall be final.

Administration
and
Training.

10.(1) The Controller and Auditor General, among other things in the administration of his office, shall be responsible for the systematic training of the officers serving under his office.

(2) The officers, during such training, shall be given experience of the various branches of audit work, departmental instructions, Financial Administration Regulations and the laws and other regulations of the Government.

Estimate and Budgetary system.

11.(1) The Controller and Auditor General shall ensure that all government regulations, laws and financial directions affecting accounting and finance with respect to the Budgetary System are strictly followed.

(2) The Controller and Auditor-General shall ensure that requirements of the Budgetary system are strictly adhere to in accordance with the Budgetary Instructions.

Auditing of Account.

12.(1) The Controller and Auditor General shall audit and report on the public accounts committee of Zanzibar and all public offices, the Central and local government administrations, educational Institutions, statutory corporation or other body or organisation established by or under any enactment or otherwise set up out of public funds.

(2) In this connection the Controller and Auditor-General or any person authorized or appointed by him shall have access to all books, records, returns and other documents relating or relevant to those accounts.

General duties of the Controller and Auditor-General.

13. In the performance of his duties the Controller and Auditor-General shall satisfy himself that:-

- (i) all necessary measures and reasonable directions have been taken to collect the total revenue fixed in the recurrent and capital estimates and to safeguard the collection of public money and that applicable laws, directions and instructions have been duly observed;
- (ii) all moneys appropriated or otherwise disbursed have been expended and applied for the purpose or purposes for which the grants made by the House of Representatives were intended to provide and that expenditure conforms to the authority which governs it and Government gets value for money;

- (iii) expenditure was only made within the limit of the recurrent and capital estimates and the quarterly cash budget, and that the expenditure of any vote, head or sub-head has not been exceeded or the authority for exceeding conforms to the Budgetary System in force;
- (iv) all expenditure shall be made on the principle of highest thrift.
- (v) all expenditure and commitments incurred are in accordance with the law, the financial directions and regulations in force;
- (vi) all advances and payments of any kind were only made according to the law, financial directions and regulations in force;
- (vii) personal advances are repaid promptly on maturity;
- (viii) there are vouchers or receipts in support of all expenditure and revenue and that the vouchers and receipts are posted correctly and in time;
- (ix) the vouchers have the two signatures of the Principal Accountant and the Head of Department or the officer appointed on his behalf;
- (x) the expenditure and receipt shown in the books are in accordance with the account of the Treasury and the bank deposits and the cash in hand;
- (xi) the required inventories are made properly and that all public properties including the supplies of goods and products are valued according to regulations in force;
- (xii) there is no excess in the establishment and the personal emoluments and that no appointment, promotions or filling of a vacant post is made without the prior approval of the central establishment.

- (xiii) the savings resulting from vacant posts, delayed promotions and appointments are duly reported to the Paymaster General.

PART III
ADMINISTRATION AND TRAINING

Computerised
Accounting
Audit.

14.(1) Where the Accounting and data storage is computerised, the accounting officer shall ensure that; accounts, records or matters concerned are available in written form or otherwise provided a document counting a clear reproduction in writing of the whole or part of them as the requirement may entail.

(2) Where an Auditor requires access to the data and data processing area controlled by password, the officer responsible will allow the access by keying in the password in secret without revealing the password to the auditor.

(3) The Auditor may copy the data or statement stored electronically for the purpose exclusively of executing his official duties.

Survey of cash,
stamps and
stores.

15. In the course of his surveys and inspections, the Controller and Auditor-General shall:-

- (a) verify the existence of the balance of cash and stamps;
- (b) satisfy himself of the existence of the balances of stores used and unused counterfoils;
- (c) ascertain whether suitable and adequate accommodation exists for the custody of Cash, Stamps and Stores.

Verification of
Balances.

16. The Controller and Auditor-General shall ensure that:-

- (a) the opening balance of any account agrees with the closing balance of the proceeding account;
- (b) the balance does not exceed the authorized limit and that it is not, in his opinion, excessive as compared with the requirements of the service;

- (c) the balance at the end of the period is capable of complete verification.

Safeguard against irregularities.

17. It shall be the responsibility of the Controller and Auditor General and his staff when examining accounts to ensure that adequate instructions laid down in the Government regulations to guard against irregularities and fraud are duly complied with and that any defect in this respect is brought to notice.

Reconciliation of bank balances.

18.(1) Where a Bank Account is maintained, the Controller and Auditor General shall compare the entries in the Cash Book with those in the Bank Statement, and shall ascertain that the balance shown in the Cash Book either agrees or is satisfactorily reconciled with the balance in the Bank Statement.

(2) The Controller and Auditor General shall require the Bank certificate in support of the Bank Statement.

Record of Loans and Advances.

19. With respect to Loans and Advances granted to local bodies, state and semi-state enterprises or individuals from revenue, development and special funds or out of the proceeds of loan fund issued, the Controller and Auditor-General shall ensure that adequate records of such loans and advances are maintained and the payments or interest, if any, and payments of the principal are made in accordance with the terms and conditions laid down in each case.

Securities.

20. The cash balance and securities held by Agents on behalf of the government and special funds shall be verified at the close of each financial year from the Statements rendered by the Agents duly certified.

Investments.

21. The existence of local and other investments shall be verified from the appropriate documents in support of such investments.

Pension grants.

22. It is the responsibility of the Controller and Auditor-General with regard to the pre-audit of the grants of the pension to ensure that the proposed award is in accordance with the pensions laws and regulations of the Zanzibar Government.

Re imbursement.

23. In his examination of the statements of expenditure re-imbursable from foreign countries' funds, the Controller and Auditor-General shall verify that the amounts claimed represent actual disbursements and will mention in his

report on the statement, or in his letter forwarding these statements that such verification has been made.

Programme of Work.

24. A Standard Programme of Work shall be drawn up by the Controller and Auditor-General which shall contain a schedule of the various types or classes of accounts to be audited in the Government.

Progress Returns.

25. Each Branch of Audit Office shall be required to submit Quarterly Progress Return on audits carried out within its programme of Work to Headquarters and they shall record the stages in the progress of examination of each account.

Guide Book/
Manual.

26.(1) A Guide Book or Audit Manual shall be kept which shall contain a clear and precise history of each account and shall record the laws and other authorities which govern the transactions recorded in it.

(2) The Audit Manual shall contain reference to all decisions affecting the account and the nature of examination and at all times be kept up to date.

Record of Rulings.

27. The Controller and Auditor-General shall ensure that a proper record is maintained of special and general rulings and of other important decisions affecting any accounts that have arisen.

PART IV **REVENUE AND EXPENDITURE**

Collection of Revenue.

28. In his examination of the revenue accounts the Controller and Auditor-General shall satisfy himself that the amounts payable in accordance with the laws, regulations and other authorities governing the collection of revenue have been duly collected; and that appropriate action has been taken where amounts payable cannot be collected or the revenue provided in the Estimates has not been received.

Control over Value Books Receipts, Licences, etc.

29.(1) The Controller and Auditor-General shall satisfy himself that proper control over the receipt, issue and custody of value books is maintained, and shall include the following:-

- (i) Official receipt document whether in the form of books, tickets, stamps or discs;
- (ii) Cheque books;
- (iii) Local purchase Order Forms;

- (iv) Requisitions and bill books where these form part of a standardised system as approved in Departmental Instructions;
- (v) Travel Warrants; and
- (vi) Any other form which the Paymaster-General may declare to be a value book.

(2) All value books and forms shall be identified by preprinted serial numbers, to be used as the basis of record and control.

Regulations regarding collection assessment and allocation of revenues.

30.(1) The Controller and Auditor-General shall ascertain whether in his opinion adequate regulations and procedures have been framed to secure an effective check on the assessment and proper allocation of revenue and that such regulations and procedures are being carried out.

(2) In respect of assessment made in the field and assessment of the capital value or annual value of real property the Controller and Auditor General satisfy himself that the assessments are made by the proper persons and are acted upon.

(3) The Controller and Auditor General may draw attention to any individual assessment if he has good reason to suppose that it has not been framed correctly.

Records of rents and charges for services.

31. The Controller and Auditor-General shall satisfy himself that rents of government property and charges for services rendered by the Government property and are fixed by the correct authority, and that adequate records are kept and punctually posted of all such rents and charges.

Internal check.

32.(1) In his examination of the expenditure accounts, the Controller and Auditor-General shall ensure that adequate system of internal check is maintained.

(2) The Controller and Auditor-General shall scrutinise the vote charge books in relation to the quarterly cash budget to ascertain that they are kept posted up to date and that there is clear evidence that the books come under regular departmental check by the responsible official.

Authority for payment.

33.(1) With respect to payment of salary and other re-current expenses, the Controller and Auditor-General shall ascertain that payment has been made in respect of the correct period and at the authorised rate, and that no increase or additional payment has been made except under due authority.

(2) The voucher in support of the first payment of salary shall be accompanied by the authority for the appointment.

Court accounts.

34.(1) The Controller and Auditor-General shall examine the accounts of the courts and other related books, records and documents kept by the Registrar.

(2) The Controller and Auditor-General shall satisfy himself that all fees, fines and executions livable by the courts are duly collected and promptly brought to account.

(3) The Controller and Auditor-General shall examine the accounts of all moneys under the administration of the courts and the respective courts' orders.

Audit of stores.

35.(1) The Controller and Auditor-General shall carry out audits of all stores accounts and in his examination, shall ensure that stores purchased have been duly brought on charge, issues have been made as authorised and that stores regulations have been strictly followed.

(2) The Controller and Auditor-General shall call attention to any excessive accumulation of stocks, and to any considerable dormant or obsolete stocks and shall verify that no stores are written off without proper authority.

Sale or transfer of stores.

36. The Controller and Auditor-General shall ensure that no transfer, loan, or sale of government stores is made to any person without authority, and shall satisfy himself that when stores are sold the proceeds are promptly brought to account and that transfer of stores is duly recorded in the books of both the departments concerned.

Unallocated stores.

37. The Controller and Auditor-General shall examine the departmental records relating to unallocated stores, and shall ensure that reconciliation between the departmental and treasury records is effected at regular intervals.

Store verifiers
Reports.

38. The Controller and Auditor-General shall examine the reports of Store Verifiers and may call for further information and explanations from respective heads of Departments to enable him to form an opinion on the state of the stores accounts.

Value for money
Audits.

39.(1) The Controller and Auditor-General may, for the purposes of establishing the economy, efficiency and effectiveness of any expenditure or use of resources by any Ministry or department in respect of which Appropriation Accounts are required to be prepared under this Act or any public authority or other public body, enquire into, examine, investigate and report, insofar as he considers necessary on:-

- (a) the expenditure of public moneys and the use of resources by such Ministries, departments and all such public authorities and other bodies;
- (b) the conduct of and the performance of their functions by accounting officers, head of department and chief executives of all such departments and public authorities and other bodies;
- (c) any other activity undertaken by such Ministries, departments public authorities and other bodies;

(2) Every report prepared by the Controller and Auditor-General as a result of the examinations, enquiries and investigations under this section shall be laid by the Minister before the House.

(3) Nothing in this section shall be construed as entitling the Controller and Auditor-General to question the merits of the policy objectives of any Ministry, department, public authority or other body in respect of which an examination is carried out.

PART V
STATUTORY CORPORATIONS AND OTHER
PUBLIC INSTITUTIONS

Audit of accounts
of Public Boards,
State and
Semi-state
Enterprises.

40. The books and accounts of the Public Boards, State and Semi-State Enterprises shall each year be audited by the Controller and Auditor-General or any person, publicly carrying on the profession of accountant, authorised or appointed in that behalf by the Controller and Auditor-General and such person shall report there-on to him.

Access to Books,
Records,
Returns, etc.

41. Any person authorised or appointed by the Controller and Auditor-General for purposes of conducting any inquiry, examination or audit shall at all times be entitled to have access to all the books, records, stores, returns and other documents relating or relevant to such accounts and shall in his report draw attention to irregularities in the accounts audited by him.

Form of Accounts.

42. A Public Board, State and Semi-State Enterprise shall be required to keep proper books of accounts and proper records in relation thereto in such form as the Controller and Auditor-General may approve.

Accounting
Instructions.

43.(1) The Instructions relating to the audit of the Estimates, Cash-Budget, Account Revenue and Expenditure and Store Accounts shall apply to Public Boards and State and Semi-state Enterprises.

(2) The audit of the State and semi-State Enterprises shall include:-

- (i) Audit of realisation of the production and sales provided in the Estimates;
- (ii) Audit of the factory costs or gross enterprise costs, salaries, wages, raw materials and supplies indirect or common costs;
- (iii) Profit and Loss Account
- (iv) Balance Sheet;
- (v) Fixed Assets;
- (vi) Audit of Work In-Progress in respect of uncompleted, re-chargeable and capital jobs at the year end;
- (vii) Stocks and Supplies;
- (viii) Funds, cash, advances, outstanding claims;
- (ix) Buying and Selling.

Controller and Auditor-General special instructions.

44. The Controller and Auditor-General may issue special instruction, from time to time, for the auditing of State and Semi-State Enterprises.

PART VI **AUDIT QUERIES AND REPORT**

Disclosure of irregularities to Heads of Departments etc.

45. The Controller and Auditor-General shall in a written report draw the attention of the Accountant General, Heads of Ministries and Departments of the appropriate authority to any irregularity disclosed during the examination of the accounts as soon as the facts or such irregularity have been established and confirmed and the recommendations for improvements and remedial action shall be considered in every such report.

Audit queries and observations.

46. The Auditor shall as a result of the audit conducted by him, make such queries and observations addressed to the Accountant General, Principal Accountant, Head of department or any person whomsoever and call for accounts, vouchers, statements and documents as he may think necessary.

Procedure of Audit queries.

47.(1) Audit queries or observations shall be issued in the form of spot queries or reports, and the procedure mentioned in this section shall be observed in dealing with spot queries.

(2) Every spot query shall be issued in triplicate copies, original and duplicate are to be transmitted to the Principal Accountant in charge of the sub-Accountancy, and the departmental copy, the triplicate, duly filed in the order of the query serial numbers.

(3) The reply shall be in triplicate – one on the original query, one on the department's copy of the query and one on plain typing paper and the latter copy shall be returned with the original query for affixing to the Audit Office copy.

(4) When a query is re-issued, the re-issue minute shall be typed on the original query, and additional carbon copy of the re-issue minute shall be sent with the original query for affixing to the receiving departments office copy.

(5) In order to guard against loss of, or undue delay In replying to queries, every accounting officer shall keep Audit Query Register in the prescribed form, and the register shall

record all movements of queries between branches of the receiving departments as well as between departments and the Audit office.

(6) The attention of all accounting officers is drawn to financial Regulations and (Treasury Instruction with respect to the treatment of audit queries or reports.

(7) Where it is necessary to obtain explanations from a sub-department or a subordinate officer such explanations shall be obtained as departmental matter and reply to queries shall be written as from the Head of Department.

(8) Queries with their replies shall be returned to the Audit Office as soon as possible and in any case not later than 30 days after receipt.

(9) If it is not possible to answer a query within the stipulated 30 days, the original query shall nevertheless be returned with a note of the reason why the answer cannot be given and suggesting a date by which it is thought the necessary information, authority or other information shall be forthcoming.

Failure to answer audit query or observation.

48.(1) Any officer who fails or refuses to reply to an audit query or observation within the stipulated 30 days period, shall by the direction of the Controller and Auditor-General have his emoluments and allowances withheld by the Paymaster-General for so long as the officer fails to reply.

(2) Without prejudice the provision of Penal Decree, Cap. 13, any person who refuses to give information or gives wrong information to the Auditor in the performance of his duties may be deducted quarter of his monthly salary for the first offence, half of his salary for the second offence, whole salary for the third offence or terminated from work for that fourth offence.

(3) Any person who degrades or humiliates the Auditor in the performance of his duties shall be guilty of an offence and can be prosecuted.

Disallowance and Surcharge.

49. In the exercise of his duties to audit and examine accounts the Controller and Auditor-General shall have the power to disallow any item of expenditure which is contrary to law and shall in a report to the House of Representatives recommend the surcharge of:-

- (i) the amount of any expenditure disallowed upon the person responsible for incurring or authorising the expenditure; or
- (ii) any sum which has not been duly brought into account upon the person by whom the sum ought to have been brought into account; or
- (iii) the amount of any loss or deficiency upon any person by whose negligence or misconduct the loss or deficiency has been incurred.

House approval of surcharge.

50. The House of Representatives shall consider every such report on surcharge from the Controller and Auditor-General and thereafter shall advise the Minister responsible for Finance whether in the opinion of the House it is appropriate that any officer be surcharged in respect of the payment, deficiency, loss of sum involved or that disciplinary proceedings be instituted against an officer or whether a surcharge shall be made and disciplinary proceedings instituted.

Recovery of any lawfully due under surcharge.

51.(1) Any sum which is lawfully due under a sum surcharge shall on civil proceedings taken against the officer in a court of competent jurisdiction be recovered as a civil debt.

(2) Where the person surcharged is in receipt of a remuneration from the government or any institution, the remuneration shall be attached to the extent of the sum lawfully due.

Monthly Statement of Public Accounts.

52.(1) As soon as transactions of each month have been duly recorded in the public accounts, the Paymaster-General shall prepare and sign a monthly statement of public accounts and publish such statement in the Gazette of the Government of Zanzibar.

(2) The monthly statement of public accounts shall include:-

- (a) statement of the financial assets and liabilities, including contingent liabilities, of the Consolidated Fund at the close of the month compared with the corresponding figures for the date in the year previous to the date of the same statement; and

- (b) statement of receipts into and payments from the Consolidated Fund for the month and for the financial year up to the end of that month as compared with the budgetary estimates of the year.

Annual Statement
of Public
accounts.

53.(1) Within a period of four months after the public accounts of any financial year have been closed, the Paymaster-General shall draw up and sign and transmit a copy of the annual statement of the public accounts to the Controller and Auditor-General for audit.

(2) The annual statement of the public accounts shall include:-

- (a) statement of the financial assets and liabilities of the Consolidated Fund at the close of the financial year;
- (b) a summary Statement of the receipts into and payments from the Consolidated Fund in comparison with the budget summary for the year;
- (c) a statement of the revenue and expenditure for the financial year in comparison with the approved and revised estimates for the year;
- (d) a statement of transactions during the year and an analysis of the position at the end of the year for:-
 - (i) the public debt;
 - (ii) deposits and other trust moneys;
 - (iii) the securities of government;
 - (iv) advances;
 - (v) public Loans;
 - (vi) equity Investments of the Consolidated Fund;
 - (vii) revolving funds for government Stores.
- (e) such other statements as may be required by any law.

Financial Information.

54. The Paymaster-General shall include in his annual report on the public accounts any financial information that materially affects the significance of the figures presented in the annual statements and such financial information shall include:-

- (i) the contingent liabilities of the Consolidated Fund;
- (ii) the market value of securities;
- (iii) subscription to international organisations; and
- (iv) revenue due but uncollected, commitments undischarged, bills unpaid and stocks held as reported by heads of departments.

Certification of the Public Accounts.

55.(1) Not later than three months after receipt the Controller and Auditor-General shall certify a copy of the statement of financial assets and liabilities signed by the Paymaster-General and other statements of the public accounts as correct subject to any comments.

(2) The certified copy of the statement of financial assets and liabilities shall be bound in, submitted and published with the Controller and Auditor General's report on public accounts.

PART VII MISCELLANEOUS PROVISIONS

Responsibility of Accounting Officers on Accuracy of Accounts.

56. The responsibility of the Controller and Auditor-General for examining and certifying the public accounts or for auditing other government accounts do not relieve an Accounting Officer responsible for keeping or rendering such accounts from his duty to comply and to ensure the compliance of his subordinates, with the provisions of any applicable financial regulations, orders, instructions, or directions.

Pre-audit not to be undertaken by Controller and Auditor-General.

57. The Controller and Auditor-General shall not undertake any examination of accounts, partaking of nature of pre-audit, which involves the acceptance by him of a responsibility which would preclude him from full criticism of any accounting transactions after they have been fully recorded in the accounts books.

Auditor-General to submit Annual report to House of Representatives.

58.(1) The Controller and Auditor-General shall within nine months after the close of the financial year submit his report to the President in accordance with section 112 (5) of the Constitution and thereafter shall be submitted to the House of Representatives.

(2) The report shall explain the outcome of the year's transactions and the extent of the audit and shall draw attention to irregularities in the accounts audited and to every case where:-

- (i) any officer or employee has willfully or negligently omitted to collect or receive any public moneys belonging to the Government;
- (ii) any public moneys were not duly accounted for and paid to the credit of the Consolidated Fund or other public accounts;
- (iii) any appropriation was exceeded or was applied to a purpose or in a manner not authorized by law;
- (iv) any expenditure was not so authorized or was not properly vouched or certified;
- (v) there has been a loss or deficiency through the fraud, default or mistake of any person.

Discretion of controller and Auditor-General.

59.(1) Subject to any duty imposed on him by any written law, the Controller and Auditor-General shall have complete discretion in the discharge of his functions and, in particular, in determining whether to carry out an examination under part V of this Act and as to the manner in which such examination is carried out, but in determining whether to carry out any such examination he shall take into account any proposals made by the Public Accounts committee, and any other Committee of the House.

(2) The Controller and Auditor-General may charge fees for auditing the accounts of any person or body.

Other information.

60.(1) The Controller and Auditor-General shall call attention to any other matter which in his opinion ought to be brought to the notice of the House of the Representatives.

- (2) The report may comment on:-
- (i) important matters reported with the clear intention of giving information, either because they are interesting or because they are matters the truth of which is not easily discernible in the actual account. e.g arrears of revenue or hidden subsidies.
 - (ii) matters of principle on which a difference has arisen between the Ministry of Finance, the Departments and the Controller and Auditor-General.
 - (iii) serious and topical questions concerned with unusually heavy expenditure, with clear waste or loss or with matters where loss might occur;
 - (iv) matters which, though small items in the accounts, are growing or will grow and need investigation before they become sizeable.
 - (v) new spending and departures from settled habits and procedures;
 - (vi) the state of the accounts and efficiency of the accounts system.

Request for special audits by the House.

61. The Controller and Auditor-General shall on the direction of the House of Representatives or of his own volition, inquire into and report on any matter with respect to:-

- (i) the financial affairs of the Government or public property; and
- (ii) any person or organization in receipt of financial aid from the Government or in respect of which financial aid from the Government is sought.

Immunity of Officials.

62. No suit shall lie against any auditor for anything done or omitted to be done by him in good faith and without negligence and in intended exercise of any power or performance of any duty conferred or imposed by this Act.

Regulations.

63. The Minister may, either on his motion or upon advice by the Controller and Auditor General, make regulations for the better carrying out of the purposes and provisions of this Act.

Amendment of Financial Administration Act, No. 8 of 1996.

64.(1) The Financial Administration Act, No. 8 of 1996 is amended by repealing Part VI thereof, and Part VII will now be Part VI and the sections will be renumbered consequently.

(2) Notwithstanding the repeal under subsection (1) of this section, any act or thing done in accordance with the repealed part shall be deemed to have been done under this Act.

SCHEDULE
{ Made Under Section 6(6)

OATH OF SECRECY

I, Solemnly and sincerely declare that in the due execution of my duties as Auditor in the Controller and Auditor General's Office, I will not directly or indirectly reveal any secret, document, communication or any information to any unauthorised person which shall become known to me as a result of the execution of my duties.

So help me God.

The Oath is declared before me on the day of, 200.....

.....
Controller and Auditor General

PASSED in the House of Representatives on the 4th day of August, 2003.

{ KHAMIS JUMA CHANDE }
CLERK OF THE HOUSE OF REPRESENTATIVES