

THE UNITED REPUBLIC OF TANZANIA



No. 1 OF 1968

I ASSENT,

Jubus K. Nyere
President

1ST FEBRUARY, 1968

An Act to establish the Tanzania Audit Corporation and to provide for its Constitution, Functions and for matters related thereto or connected therewith and to provide for the Amendment of certain Laws concerning the Audit of the Accounts of Statutory Bodies

[2ND FEBRUARY, 1968]

ENACTED by the Parliament of the United Republic of Tanzania.

1. This Act may be cited as the Tanzania Audit Corporation Act, Short title 1968.

2. In this Act, unless the context otherwise requires—

“appointing authority” in relation to the chairman of the Board of Directors means the President and in relation to other members of the Board means the Minister; <sup>Interpreta-
tion.</sup>

“Board” means the Board of Directors established under section 5;

“Controller and Auditor-General” means the person holding the office of Controller and Auditor-General provided for in section 78 of the Interim Constitution of Tanzania;

“Corporation” means the Tanzania Audit Corporation established by section 3;

“financial year” in relation to the Corporation, includes the Corporation’s first accounting period, whether shorter or longer than a year, and, if the Corporation changes its accounting year, includes any accounting period, whether shorter or longer than a year, employed to give effect to the change;

“Minister” means the Minister for the time being responsible for finance.

Establishment of Corporation

3. There is hereby established a corporation to be known as the Tanzania Audit Corporation which shall—

- (a) have perpetual succession and a common seal;
- (b) in its corporate name be capable of suing and being sued;
- (c) subject to this Act, be capable of purchasing and otherwise acquiring and of alienating, any movable or immovable property.

Functions of the Corporation

4.—(1) It shall be the duty of the Corporation to provide audit services and services ancillary or incidental thereto, including advisory and accounting services, in accordance with the provisions of this Act.

(2) Subject to subsection (4), the Corporation shall be responsible for and shall perform, in accordance with the best professional standards and, except where otherwise provided in any other written law, within fifteen months of the end of the financial year concerned, the audit of the accounts of the statutory bodies specified in the first column of the First Schedule to this Act and such other statutory bodies as may be prescribed by any written law.

(3) Subject to subsection (5) and notwithstanding any provisions to the contrary contained in the Articles of Association of the companies concerned, the Corporation shall be responsible for and shall perform, in accordance with the best professional standards, the audit of the accounts of the companies specified in the Second Schedule to this Act.

(4) The Corporation shall assume the responsibilities imposed upon it by subsection (2) in respect of each statutory body specified in the first column of the First Schedule with effect from such day as the Minister may, by notice published in the *Gazette*, determine and the written laws specified in the second column of the said Schedule opposite to the entry specifying the body concerned shall be amended, with effect from the same day, to the extent set out in the third column of the said Schedule.

(5) The Corporation shall assume the responsibilities imposed upon it by subsection (3) in respect of each company specified in the Second Schedule with effect from such day as the Minister may by notice published in the *Gazette* determine and thereafter sections 132 and 133 of the Companies Ordinance shall not apply to that company.

(6) The Corporation may provide its services, upon such terms and conditions as may be agreed, to any other person as well as to the bodies and companies specified in the First and Second Schedules.

(7) The Corporation may, from time to time, appoint on such terms and conditions as it may think fit such officers and servants as it may consider necessary for the performance of its functions and may enter

into such arrangements with persons or firms for the supply of services or facilities to the Corporation as it may consider desirable.

(8) The Corporation shall have power to do anything which is calculated to facilitate the discharge of its responsibilities under this Act.

(9) Subject to section 6, in the exercise of its functions under this section, the Corporation and the Board shall not be subject to the direction or control of any other person or authority.

5.—(1) There shall be a Board of Directors of the Corporation which shall, subject to this Act, be responsible for the performance by the Corporation of its functions and for the control and management of the Corporation. Management of Corporation

(2) The Board of Directors shall consist of—

(a) a chairman who shall be appointed by the President;

(b) such other members being not less than two nor more than five as the Minister may appoint.

(3) The members of the Board shall be appointed from among persons who have experience of and have shown capacity in financial or commercial matters but before appointing a person to the Board the appointing authority shall satisfy himself that that person will have no such financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member of the Board.

(4) The provisions of the Third Schedule shall have effect as respects the Corporation.

6.—(1) The Controller and Auditor-General may, after consultation with the Board, give to the Board directions as to the exercise and performance of the functions of the Corporation, and the Board shall give effect to any such directions. Powers of Controller and Auditor-General

(2) The Board shall afford to the Controller and Auditor-General facilities for obtaining information with respect to the activities of the Corporation and shall furnish him with returns, accounts, reports and other information with respect thereto and afford to him facilities for the verification of the documents and information furnished, in such manner and at such times as the Controller and Auditor-General may require.

7.—(1) Subject to subsection (2), the Corporation shall be empowered to charge such fees as it may consider reasonable for the services rendered by it pursuant to subsections (2) and (3) of section 4. Financial duties of the Corporation

(2) The Corporation shall so conduct its business as to secure that its revenue is not less than sufficient for making provision for the meeting of charges properly chargeable to revenue, taking one year with another.

(3) The Corporation shall charge to revenue in every year all charges which are proper to be made to revenue including, in particular, proper provision for the depreciation or the renewal of assets and proper allocation to a general reserve.

(4) Any excess of the revenue of the Corporation in any financial year over the total sums properly chargeable to revenue account that year shall be applied by the Corporation in such manner as the Minister may direct; and the direction may require that the whole or any part of the excess may be paid into the Consolidated Fund.

Financial
resources
of the
Corporation

8. The funds and resources of the Corporation shall consist of—

- (a) such sums as may be provided for the purpose by Parliament either by way of grant or by loan;
- (b) any loan granted to the Corporation by any other person with the approval of the Minister;
- (c) any sums or property which may in any manner become payable to or vested in the Corporation as the result of the performance of its functions.

Report,
Accounts
and Audit

9.—(1) The Corporation shall keep proper accounts and proper records in relation thereto and shall prepare in respect of each financial year within six months of the end thereof a statement of accounts in a form approved by the Minister being a form which conforms to the best commercial standards.

(2) The accounts of the Corporation shall be audited by the Controller and Auditor-General.

(3) The Board shall prepare a report on the conduct of its operations in respect of each financial year within six months of the end thereof and shall transmit such report to the Controller and Auditor-General who shall deal with it in accordance with subsection (4).

(4) As soon as the accounts of the Corporation have been audited and the report of the Board has been received, the Controller and Auditor-General shall submit the report of the Board, a copy of the audited statement of accounts of the Corporation and a copy of any report thereon he may wish to make to the President who shall, not later than seven days after the first sitting of the National Assembly next after the receipt of such documents, cause them to be laid before the National Assembly; and if such documents are not so laid before the Assembly by the President, the Controller and Auditor-General shall submit them to the Speaker of the National Assembly who shall cause them to be laid before the National Assembly.

FIRST SCHEDULE

I	II	III
<i>Name of Statutory Body</i>	<i>Name of Act or Ordinance</i>	<i>Amendment to the Act or Ordinance</i>
1. The National Development Corporation	The National Development Corporation Act, 1962 (Cap. 468)	Section 10 (3). <i>Delete</i> this subsection and <i>substitute</i> the following— “(3) The accounts of the Corporation shall be audited annually by the Tanzania Audit Corporation.”;
2. The Tanganyika National Tourist Board	The Tanganyika National Tourist Board Act, 1962 (Cap. 470)	Section 10 (2). <i>Delete</i> this subsection and <i>substitute</i> the following— “(2) The accounts of the Board shall be audited annually by the Tanzania Audit Corporation.”;
3. The National Dairy Board	The Dairy Industry Act, 1965 (Acts 1965 No. 32)	Section 7 (1). <i>Delete</i> the words “auditors appointed by the Board with the approval of the Minister” and <i>substitute</i> the words “the Tanzania Audit Corporation”;
4. The National Agricultural Products Board and every Board established under section 3 of the Agricultural Products (Control and Marketing) Act, 1962 (Cap. 486)	The Agricultural Products (Control and Marketing) Act, 1962 (Cap. 486)	First Schedule—paragraph 26 (2). <i>Delete</i> the words “an auditor appointed from time to time by the Board with the approval of the Minister” and <i>substitute</i> the words “the Tanzania Audit Corporation”;
5. The National Housing Corporation	The National Housing Corporation Act, 1962 (Cap. 481)	Section 14 (3). <i>Delete</i> this subsection and <i>substitute</i> the following— “(3) The accounts of the Corporation shall be audited annually by the Tanzania Audit Corporation.”;
6. The National Museum	The National Museum Act, 1963 (Cap. 522)	First Schedule—paragraph 15. <i>Delete</i> the words “auditors appointed by the Board” and <i>substitute</i> the words “the Tanzania Audit Corporation”;
7. The Tanganyika Library Services Board	The Tanganyika Library Services Board Act, 1963 (Cap. 532)	Section 9 (2). <i>Delete</i> this subsection and <i>substitute</i> the following— “(2) The accounts of the Board shall be audited annually by the Tanzania Audit Corporation.”;
8. The Tanganyika Sisal Marketing Board	The Sisal Industry Act, 1965 (Acts 1965 No. 6)	Section 26. <i>Delete</i> the words “such auditor as the Board may, with the approval of the Minister, appoint” and <i>substitute</i> the words “the Tanzania Audit Corporation”;
9. The Governing Body of the College of Business Education	The College of Business Education Act, 1965 (Acts 1965 No. 31)	Section 12 (1). <i>Delete</i> the words “such auditors as the Governing Body shall appoint” and <i>substitute</i> the words “the Tanzania Audit Corporation”;
10. The Bank of Tanzania	The Bank of Tanzania Act, 1965 (Acts 1966 No. 12)	Section 17 (3). <i>Delete</i> this subsection and <i>substitute</i> the following— “(3) The accounts of the Bank shall be audited annually by the Tanzania Audit Corporation.”;
11. The National Bank of Commerce	The National Bank of Commerce (Establishment and Vesting of Interests and Liabilities) Act, 1967 (Acts 1967 No. 1)	Section 7 (2). <i>Delete</i> the words “auditors of high repute who shall be appointed by the Minister” and <i>substitute</i> the words “the Tanzania Audit Corporation”;
12. The State Trading Corporation	The State Trading Corporation (Establishment and Vesting of Interests) Act, 1967 (Acts 1967 No. 2)	Section 7 (2). <i>Delete</i> the words “auditors of high repute who shall be appointed by the Minister” and <i>substitute</i> the words “the Tanzania Audit Corporation”;
13. The National Sports Council of Tanzania	The National Sports Council of Tanzania Act, 1967 (Acts 1967 No. 12)	Section 8 (2). <i>Delete</i> this subsection and <i>substitute</i> the following— “(2) The accounts of the Council shall be audited annually by the Tanzania Audit Corporation.”;

I

Name of Statutory Body

14. (a) The National Co-operative and Development Bank
- (b) The National Co-operative Bank
- (c) The National Development Credit Agency
15. The Governing Body of the Co-operative College
16. The Governing Body of the College of African Wildlife Management
17. The Lint and Seed Marketing Board
18. The Governing Council of the College of Agriculture
19. The National Union of Tanganyika Workers
20. The Tanganyika Tea Board
21. The Tanganyika Coffee Board
22. The Trustees of the Tanganyika National Parks
23. The Nyamwezi Creameries Board
24. The Tanganyika Higher Education Trust Fund
25. The National Swahili Council
26. The Tanganyika Pyrethrum Board

II

Name of Act or Ordinance

- The National Co-operative and Development Bank Act, 1964 (Acts 1964 No. 38)
- The Co-operative College Act, 1964 (Acts 1964 No. 32)
- The College of African Wildlife Management Act, 1964 (Acts 1964 No. 8)
- The Lint and Seed Marketing Ordinance (Cap. 311)
- The College of Agriculture Act, 1964 (Acts 1964 No. 60)
- The National Union of Tanganyika Workers (Establishment) Act, 1964 (Acts 1964 No. 18)
- The Tea Ordinance (Cap. 291)
- The Coffee Industry Ordinance (Cap. 438)
- The National Parks Ordinance (Cap. 412)
- The Nyamwezi Creameries Board Act, 1963 (Cap. 513)
- The Tanganyika Higher Education Trust Fund Ordinance (Cap. 369)
- The National Swahili Council Act, 1967
- The Pyrethrum Ordinance (Cap. 421)

III

Amendment to the Act or Ordinance

Section 12 (1). *Delete* the words "auditors appointed by the Corporation with the approval of the Minister" and *substitute* the words "the Tanzania Audit Corporation";

Section 16 (1). *Delete* the words "such auditors as the Governing Body shall appoint" and *substitute* the words "the Tanzania Audit Corporation";

Section 16 (1). *Delete* the words "such auditors as the Governing Body shall appoint" and *substitute* the words "the Tanzania Audit Corporation";

Section 14 (2). *Delete* "an auditor to be approved by the Minister" and *substitute* the words "the Tanzania Audit Corporation";

Section 16 (1). *Delete* the words "such auditors as the Governing Council shall appoint" and *substitute* the words "the Tanzania Audit Corporation";

First Schedule—paragraph 37 (1). *Delete* the words "a fit and proper person appointed by the Executive Council and approved by the Registrar of Trade Unions" and *substitute* the words "the Tanzania Audit Corporation";

Section 25. *Delete* the words "in such manner as the Minister may direct" and *substitute* the words "by the Tanzania Audit Corporation";

First Schedule—paragraph 25. *Delete* the words "an auditor approved by the Minister" and *substitute* the words "the Tanzania Audit Corporation";

Section 9 (3). *Delete* the words "Director of Audit or such other auditor as the Minister may approve" and *substitute* the words "Tanzania Audit Corporation";

Schedule—paragraph 24 (2). *Delete* the words "an auditor appointed by the Board with the approval of the Minister" and *substitute* the words "the Tanzania Audit Corporation";

Section 25 (2). *Delete* this subsection and *substitute* the following—

"(2) The accounts of the Board shall be audited annually by the Tanzania Audit Corporation.";

Section 9 (2). *Delete* this subsection and *substitute* the following—

"(2) The accounts of the Council shall be audited annually by the Tanzania Audit Corporation.";

Section 18 (2). *Delete* the words "an auditor appointed from time to time by the Board with the approval of the Minister" and *substitute* the words "the Tanzania Audit Corporation".

SECOND SCHEDULE

(Section 4 (3))

NAME OF COMPANY

Smith Mackenzie & Company (Tanganyika) Limited.
Dalgety (Tanzania) Limited.
International Trading and Credit Company of Tanganyika Limited.
A. Baumann & Company (Tanganyika) Limited.
Twentsche Overseas Trading Company (Tanzania) Limited.
TOM Laboratories Limited.
Wigglesworth & Co. (Africa) Limited.
Wigglesworth & Co. Tanzania Limited.
National Insurance Corporation of Tanzania Limited.
Tanganyika Electric Supply Company Limited.
Workers Development Corporation (T) Limited.
Friendship Textile Mill Limited.
Coastal Dairy Industries Limited.
Mwananchi Printing Company Limited.
Tanzania Elimu Supplies Limited.
Tanzania Finance Company Limited.
New Africa Hotels Limited.
Lake Manyara Hotels Limited.
Kilimanjaro Hotels Limited.
Tanzania Wildlife Safaris Limited.
Tanzania Tobacco Processing Company Limited.

THIRD SCHEDULE

(Section 5)

CONSTITUTION AND PROCEEDINGS OF THE BOARD OF DIRECTORS

1.—(1) Subject to paragraph 2 of this Schedule, a member of the Board shall hold and vacate his office in accordance with the terms of his appointment and shall, on ceasing to be a member, be eligible for re-appointment.

(2) Any member may at any time resign his office by notice in writing addressed to the appointing authority.

(3) If no period of office is specified in the instrument of his appointment, a member shall hold office for a period of three years and shall be eligible for re-appointment.

2. If the appointing authority is satisfied that a member of the Board—

- (a) has been absent from not less than three consecutive meetings without the permission of the Board; or
- (b) has been absent from the United Republic for more than a year; or
- (c) has become bankrupt or made an arrangement with his creditors; or
- (d) is incapacitated by physical or mental illness; or
- (e) should be removed from his office, and where the Minister is the appointing authority, the President agrees,

the appointing authority may declare his office to be vacant and shall notify the fact as he may think fit; and thereupon the office shall become vacant.

3. The Corporation may pay to the members of the Board such salaries, fees or expenses as the Minister may from time to time approve.

4. The validity of any proceedings of the Board shall not be affected by any vacancy among the members or by any defect in the appointment of any member.

5. The quorum of the Board and the arrangements and procedure relating to meetings of the Board shall be such as the Board may determine, but the quorum of the Board shall not be less than three and the Board shall meet at intervals not greater than three months.


6. Minutes in proper form of each meeting of the Board shall be kept and shall be confirmed by the Board at the next meeting and signed by the chairman at that meeting; and a copy of all minutes, when confirmed and signed, shall be forwarded without delay by the Board to the Controller and Auditor-General.

7. A professionally qualified auditor, who is either an employee of the Corporation or is supplying services to it pursuant to an arrangement made under subsection (7) of section 4, may require that his objection to any decision taken by the Board in respect of an audit performed or being performed by the Corporation shall be recorded in the minutes of the proceedings of the Board and the Controller and Auditor-General may exercise as he deems fit the powers given him by section 6 in respect of any such matter.

8. The fixing of the seal of the Corporation shall be authenticated by the signatures of—

- (a) the chairman of the Board, or some other member thereof authorized either generally or specially by the Board to act in his stead for that purpose; and
- (b) some other person authorized by the Board, either generally or specially, to act for that purpose.

Passed in the National Assembly on the fifteenth day of January, 1968.


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Clerk of the National Assembly