



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



NATIONAL CONSTRUCTION COUNCIL (NCC)

**MANAGEMENT LETTER ON THE FINANCIAL AND COMPLIANCE AUDIT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

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March 2026

ML/PA/NCC/2024/25

About the National Audit Office

Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap. 418.

NAOT Vision, Mission & Motto



The graphic consists of three horizontal bars, each with a circular icon on the left and text on the right. The top bar is green and features the NAOT logo (a circular emblem with a sun and the text 'NATIONAL AUDIT OFFICE OF TANZANIA' and 'ISO 9001:2015 Certified') and the word 'Vision'. The middle bar is light green and features a target icon and the word 'mission'. The bottom bar is blue and features a trophy icon and the word 'Motto'.

Vision A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

mission To provide high-quality audit services through modernization of functions that enhances accountability and transparency in the management of public resources.

Motto Modernizing External Audit for Stronger Public Confidence



Core Values



The graphic displays six core values, each with a circular icon and a text box. The icons are: a target (Independence and Objectivity), a person with a checkmark (Integrity), a document with a checkmark (Results-Oriented), a person with a checkmark (Professional competence), a lightbulb (Creativity and Innovation), and a group of people (Team Work Spirit).

Independence and Objectivity: We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Integrity: We observe and maintain high ethical standards and rules of law in the delivery of audit services.

Results-Oriented: We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.

Professional competence: We deliver high quality audit services based on appropriate professional knowledge, skills, and best practices.

Creativity and Innovation: We encourage, create and innovate value-adding ideas for the improvement of audit services.

Team Work Spirit: We value and work together with internal and external stakeholders.



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Ref: ML/PA/NCC/2024/25

March 2026

Chairperson of the Board,
National Construction Council,
P.O. Box 1236,
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Tanzania.

MANAGEMENT LETTER ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

We have completed the audit of the National Construction Council for the financial year ended 30 June 2025. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs).


This letter presents key audit observations and recommendations arising from the audit. These matters were discussed with the management of the entity during the exit meeting held on 21 October 2025. Management's responses have been duly considered in the preparation of this letter, in line with Regulation 86 of the Public Audit Regulations, 2009.

The audit encompassed a review of financial systems and internal controls, examination of accounting records, and evaluation of supporting documentation, to the extent considered necessary to express an opinion on the financial statements and to draw a conclusion on matters of compliance.

While the audit was planned and executed to obtain reasonable assurance, it should be noted that it is not designed to identify every weakness or irregularity. Accordingly, the absence of comment on any specific matter does not imply that no issue exists.

We trust that the management of the National Construction Council will take appropriate and timely actions to implement the recommendations provided in this letter.

Johanes Busagi Kerenge
Partner (Hekima Associates)



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ABBREVIATIONS

APP	Annual Procurement Plan
CAG	Controller and Auditor General
e-GA	e-Government Agency
FAQ	Frequently Asked Questions
ICT	Information and Communication Technology
ML	Management Letter
NCC	National Construction Council
PA	Public Authority
PAC	Public Accounts Committee
PPRA	Public Procurement Regulatory Authority
PSE	Public Sector Entities
RBIAP	Risk-Based Internal Audit Plan
TZS	Tanzanian Shillings

SUMMARY OF KEY AUDIT FINDINGS AND RECOMMENDATIONS

This management letter provides findings and recommendations from the financial and compliance audit of the National Construction Council for the financial year ended 30 June 2025. Key audit findings are as follows: -

(i) Lack of periodic Review of Risk Management Framework (*Para 2.2.1*)

Section 5.3.1 of the Guidelines for Developing and Implementing Institutional Risk Management Frameworks in Public Sector Entities (2023) states that, unlike monitoring activities, reviews are conducted periodically rather than continuously, and a Public Sector Entity (PSE) should plan to conduct a risk management review at regular intervals (e.g., annually or every three years). However, our review noted that the Council's Risk Management Framework has not been reviewed since its inception in 2021, which has been attributed to inadequate oversight by management and the absence of a formal schedule or mechanism for conducting periodic reviews. As a result, the Council may be exposed to risks arising from potential gaps in identifying, mitigating, and responding to emerging risks.

Recommendation

We recommend that management take immediate steps to review and update the Risk Management Framework to ensure compliance with the guidelines stipulated.

(ii) None Vetting of the Contracts by the legal officer of the Council (NCC) amounting to 1.03 billion (*Para 3.1.2*)

Regulation 73(1) of the Public Procurement Regulation (2024) requires that any contract arising from the acceptance of a tender with a value of less than one billion shillings be vetted by the legal officer of the procuring entity before signing. During the review of procurement and contract management, we sampled seven contracts totaling TZS 15,595,185,686.09 and noted that four contracts, totaling TZS 1,025,308,972.4, were signed without vetting by the Council's legal officer. This was attributed to inadequate internal controls by management over compliance with procurement and contract management procedures, exposing the Council to potential contractual disputes, unnecessary variations, or financial losses that could have been avoided through proper legal review.

Recommendation

We recommend that management ensure all contracts are vetted and signed by the Legal Officer prior to execution, and strengthen contract management procedures and approval processes.

1.0 FOLLOW UP ON PREVIOUS RECOMMENDATIONS AND PAC DIRECTIVES

1.1 Implementation status of previous years' audit recommendations

The implementation status of the previous year's audit recommendations is summarized in **Table 1:**

Table 1: Implementation of the status of the previous years' audit recommendations

Status	No. of recommendations	Percentage
Implemented	11	79
Under implementation	3	21
Not implemented	0	0
Reiterated	0	0
Overtaken by events	0	0
Total	14	100

Source: Auditors' assessment of the previous year's recommendations

The implementation status is generally satisfactory. Management is urged to implement all outstanding audit recommendations as detailed in **Appendix I** of this management letter.

1.2 Implementation status of PAC directives

During the year under review, there were no PAC directives issued.

2.0 FINANCIAL AUDIT

2.1 Governance

2.1.1 Non-compliance with Governing Council Performance Evaluation Requirements

Section 17 (a, b & c) of the National Construction Council Governing Council Charter, 2023 stipulates that each Council member shall be evaluated by other members (excluding themselves), each Council member shall evaluate the Council's performance, and the evaluation shall be conducted once every financial year.

Our audit noted that no evaluations have been conducted for individual Council members or for the overall performance of the Governing Council since the appointment of the Governing Board members on 25 June 2022, contrary to the Charter's provisions.

Cause

The absence of a structured mechanism to initiate, coordinate, and monitor the evaluation process, coupled with limited enforcement and oversight of this requirement by the Secretariat.

Implications

- a) Limits the Council's ability to assess its effectiveness, identify areas of improvement, and enhance accountability among members; and
- b) Undermines principles of good governance and performance management.

Recommendations

We recommend that Management: -

- a) Ensure annual performance evaluations of both individual Council members and the Governing Council as a whole are conducted in accordance with Section 17 (a, b & c) of the Charter; and
- b) The Secretariat establishes and communicates a clear schedule and reporting mechanism to ensure consistent compliance and follow-up in subsequent years.

Management response

Management has noted recommendations for implementation in collaboration with the Office of the Treasury Registrar.

Audit comment

Management response has been noted. Verification of the implementation of the recommendation will be conducted during the subsequent audit.

2.1.2 Weaknesses in Governance and Oversight of the Internal Audit Function

Paragraph 3.3(b) of the NCC Audit Committee Charter, 2021, requires the Audit Committee to review and approve the risk-based internal audit plan, including any significant changes to its scope or implementation. Paragraph 5 of the Charter requires the Committee to meet at least four times per year, with meetings scheduled in advance. Additionally, good practice in internal auditing, as guided by the International Professional Practices Framework (IPPF), requires that the audit plan clearly define the audit universe, risk assessment process, and audit priorities.

Furthermore, the International Professional Practices Framework (IPPF), 2010 - Planning requires the chief audit executive to establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals.

Our review revealed several weaknesses in the governance and oversight of the Internal Audit Function at the National Construction Council (NCC), as summarised below:

- a) The Risk-Based Internal Audit Plan (RBIAP) for the financial year 2024/25 was prepared by the Internal Audit Unit but was not signed by the Head of the Internal Audit Unit, the Chairperson of the Audit Committee, or the Chief Executive Officer.
- b) The RBIAP was neither submitted to nor approved by the Audit Committee, contrary to the requirement that such plans be reviewed and endorsed before implementation.
- c) The Audit Committee held only three meetings during the year under review - the 1st Special Audit Committee Meeting on 22 August 2024, the 16th Ordinary Audit Committee Meeting on 20 February 2025, and the 17th Ordinary Audit Committee Meeting on 17 June 2025 - instead of the minimum four meetings per year stipulated in the Audit Committee Charter. Furthermore, minutes of all Audit Committee meetings were not signed by the Chairperson and Secretary.
- d) The Risk-Based Internal Audit Plan 2024/25 lacked key components, including:
- e) Definitions of key terms (e.g., internal auditing, audit universe, auditable area, risk assessment, audit man-days).
 - Document organisation, including the implementation review of the 2023/24 audit plan, planning methodology, and resource allocation.
 - Determination of the audit universe and linkage with the Corporate Strategic Plan (CSP) 2023/24-2025/26.
 - Risk assessment model demonstrating prioritisation of auditable areas, applied to the business unit or a single business process.

Cause

the absence of follow-up mechanisms to ensure timely review and approval of internal audit documents and meetings.

Implications

- a) Weak oversight of the internal audit function, leading to ineffective internal controls and assurance processes; and
- b) Reduced accountability and transparency in audit planning and reporting

Recommendations

We recommend Management:

- a) Ensure that the Risk-Based Internal Audit Plan is reviewed, signed, and approved by the Head of the Internal Audit Unit, Chairperson of the Audit Committee, and Chief Executive Officer before implementation;
- b) Ensure that the Audit Committee meets at least four times per year, with all meeting minutes duly signed by the Chairperson and Secretary; and
- c) Direct the Internal Audit Unit to revise the Risk-Based Internal Audit Plan to include all required components, including definitions of key terms, audit universe, planning methodology, risk assessment model, and linkage to the Corporate Strategic Plan.

Management response

The auditor's observation is noted for future implementation to rectify the above weakness in governance and oversight of the Internal Audit Function.

Audit comment

Management response has been noted. Verification of the implementation of the recommendations will be conducted during the subsequent audit.

2.2 Operational Efficiency

2.2.1 Lack of Periodic Review of Risk Management Framework

Section 5.3.1 of the Guidelines for Developing and Implementing Institutional Risk Management Frameworks in Public Sector Entities, 2023 states that unlike monitoring activities, reviews are conducted periodically rather than continuously. The Public Sector Entity (PSE) should therefore plan to conduct a risk management framework review at regular intervals (e.g., annually or every three years).

During our review, it was noted that the NCC has not reviewed its Risk Management Framework since its inception in 2021, contrary to the requirement for periodic reviews to ensure the framework remains relevant and aligned with current operational and strategic risks.

Cause

Inadequate oversight and the absence of a formal schedule or reminder mechanism to trigger periodic reviews.

Implications

- a) Failure to review the Risk Management Framework regularly may result in reliance on outdated risk assessments, leading to potential gaps in identifying, mitigating, and responding to emerging risks; and
- b) It increases the likelihood that emerging risks may not be adequately identified and managed, potentially affecting operational efficiency and accountability.

Recommendation

We recommend that management take immediate steps to review and update the Risk Management Framework to ensure compliance with the guidelines stipulated.

Management response

Management acknowledges the observation regarding the lack of periodic review of the Risk Management Framework. The Management is currently reviewing the Risk Management Framework to ensure its continued relevance and alignment with the Guidelines for Developing and Implementing Institutional Risk Management Frameworks in Public Sector Entities (2023). The draft Risk Management Framework will be submitted to the Audit Committee for approval.

Audit comment

Management response has been noted. Verification of the implementation of the recommendations will be conducted during the subsequent audit.

2.3 Information system audit

2.3.1 Deficiencies in Website Navigation, Content Management, and Functional Analytics

Section 2.2 of the Technical Standards and Guidelines for Public Institutions' Websites, 2022 requires that all public institutions design, operate, and maintain their websites to ensure a consistent level of quality, accessibility, appearance, and user experience. Websites must have clear and well-structured navigation, active feedback mechanisms, complete and accurate information, and functioning analytics to monitor website performance.

We reviewed the functionality, accessibility, and content management of the National Construction Council (NCC) official website and identified the following weaknesses:

a) Missing Navigation Links

The website's global header navigation did not include a Feedback/Enquiry link, and there was no redirection to the institutional feedback page under the e-Mrejesho system.

b) Incomplete “About Us” Information

The Board Members sub-menu displayed only photographs without corresponding designations (Chairperson, Vice-Chairperson, Secretary, and Members), and the Management sub-menu displayed staff photographs without indicating designations (Chief Executive Officer, Directors, Managers, and Heads of Units).

c) Inactive Media Pages

The Media sub-menus titled Events, Speeches, Press Releases, and Gallery contained no content.

d) Unstructured Publications Section

The Publications - Documents sub-menu contained a mixed collection of items, including “Tangazo la Mnada wa Hadhara”, contracts, reports, procurement notices, policies, journals, and Acts, while the Guidelines sub-menu was empty.

e) Empty FAQ Page: The Frequently Asked Questions page was accessible but contained no content.

e) Empty FAQ Page

The Frequently Asked Questions (FAQ) page was accessible but contained no content.

f) Non-Functional Website Analytics

The visitor statistics displayed unrealistic figures such as “Today: 0; Yesterday: 0; This Week: 0; This Month: 1; This Year: 0” despite the site being active, indicating the analytics tool was either not configured or not functioning properly.

Cause

Absence of a content governance framework defining responsibilities and timelines for updating website sections, lack of integration with the e-Mrejesho feedback system, limited monitoring and oversight by the ICT and Public Relations Units, technical misconfiguration of the analytics tracking system, and inadequate prioritisation of website maintenance activities.

Implications

- a) Users and stakeholders cannot access key information, leading to poor user experience, diminished public confidence and credibility, and reduced transparency and accountability; and
- b) Faulty analytics hinder data-driven decision-making on website performance and outreach.

Recommendations

We recommend that Management:

- (a) Include a Feedback/Enquiry link in the global header navigation with redirection to the NCC page on the e-Mrejesho system; update the Board Members and Management pages to include full names, titles, and designations; populate the Media and Publications pages with up-to-date and categorised information; and populate the FAQ page with relevant questions and responses to assist users;
- (b) Reconfigure or install a reliable website analytics tool to ensure accurate visitor statistics; and
- (c) Conduct a comprehensive compliance self-assessment against the Technical Standards and Guidelines for Public Institutions' Websites (2022) and address all identified gaps.

Management response

The auditor's observation and recommendation have been noted. Efforts to improve and resolve the website challenges were made by sending an email to the e-Government Authority (eGA) on 14 August 2025. Additionally, a letter (Ref. No. BA.160/191/01C/54) dated 18 November 2025 was sent to eGA requesting redevelopment of the website due to unsatisfactory appearance.

Audit comment

Management response has been noted. We verified the letter mentioned and confirmed it was sent to eGA. However, regular follow-ups are required to ensure the timely resolution of the noted deficiencies. Verification of the implementation of the recommendations will be conducted during the subsequent audit.

3.0 COMPLIANCE AUDIT

3.1 Compliance audit on procurement

3.1.1 APP submitted to PPRA differs from the APP approved by the Board of Directors by TZS 130 million

Sections 34(b) and 38(1)(g) of the Public Procurement Act, 2023 stipulate that the functions of tender boards include reviewing all applications for variations, addenda, or amendments to ongoing contracts. Furthermore, among the functions and powers vested in the Accounting Officer is the approval of such applications, subject to thresholds prescribed in the regulations.

The review of the Annual Procurement Plan (APP) identified that NCC prepared the APP with an estimated budget of TZS 2,569,607,660 and submitted it to the Public Procurement Regulatory Authority (PPRA). However, a comparison with the APP approved by the Board of Directors revealed a difference of TZS 130,019,040, as the APP approved by the Board amounted to TZS 2,439,588,620. The details are presented in **Appendix II**.

Cause

Inadequate controls over adherence to procurement procedures by the Procurement Management Unit (PMU).

Implication

Procurement activities may be undertaken based on an APP that was not duly approved by the Board of Directors, increasing the risk of incurring expenditures outside the approved budget and without proper authorisation.

Recommendation

We recommend that management strengthen internal review and approval controls within the Procurement Management Unit (PMU) to ensure that all procurement plans are properly reviewed, reconciled, and validated before submission to PPRA.

Management response

The auditor's recommendation has been noted for future implementation.

Audit comment

Management response has been noted. Verification of the implementation of the recommendation will be conducted during the subsequent audit.

3.1.2 Non-Vetting of Contracts by the Legal Officer of the Council TZS 1.03 billion

Regulation 73(1) of the Public Procurement Regulation, 2024 requires that any contract arising from the acceptance of a tender with a value of less than one billion shillings be vetted by the legal officer of the procuring entity before being signed. Additionally, Section 2.7(c) of the NCC Job Description for the Head of the Legal Unit stipulates that all contracts must be vetted by legal officers prior to execution to ensure compliance and minimize risk.

During the review of procurement and contract management for the year under review, seven contracts were sampled to assess compliance with established procedures. It was noted that four of these seven contracts were signed without being vetted by the Council's legal officer. The details are presented in **Table 2**.

Table 2: Contracts executed without legal vetting

Contractor	Description of contract	Contract amount (TZS-VAT Inclusive)
Tanzania Building Agency	Design, Architectural drawings & supervision	788,238,500.00
THEO & N Trading Company	Supply of stationery & consumables	18,357,378.00
Empress Furniture Ltd	Supply of office furniture and fittings	86,624,189.40
FinSys Tech Solutions Ltd	Consultancy - Automation of NCC Web-Based Business Process	132,088,905.00
Total		1,025,308,972.40

Source: NCC contract register

Cause

Lack of management prioritisation of the Legal Officer's recommendations prior to the signing of contracts.

Implications

- Exposure of the Board to contractual disputes, unnecessary variations, or financial losses that could have been avoided through proper legal review; and
- Potential regulatory sanctions and undermining of the credibility and integrity of the procurement process.

Recommendation

We recommend that management ensure all contracts are vetted and signed by a Legal Officer prior to execution, and strengthen contract management procedures and approvals.



Management response

The auditor's recommendation has been noted for future implementation.

Audit comment

Management response has been noted. Verification of the implementation of the recommendation will be done during the subsequent audit.

4.0 ACKNOWLEDGEMENT

We appreciate the cooperation extended by the management of the National Construction Council to the audit team during the audit.

Johanes Busagi Kerenge
Partner (Hekima Associates)

5.0 APPENDICES

Appendix I: Implementation status of previous years' recommendations

S/N	Financial year	Category	Para	Audit observation summary	Audit recommendation	Management response	Auditor's comments	Status
1.	2023/24	Financial Statements Findings	2.1.1	Non-Preparation of Bank Reconciliation Imprest Account No. 20610024771	We recommend that Council management ensure all bank accounts are reconciled monthly, as per the requirements of the Council's Financial Regulations.	Management acknowledges that there had been a challenge in the preparation of bank reconciliation statements for the imprest account in 2023/24. Currently, the challenge has been addressed through training, and we have managed to prepare monthly bank reconciliation statements as per requirements.	Bank reconciliation is now timely, prepared monthly.	Implemented
2.	2023/24	Asset Management	2.2.1	Under-utilisation of the Council's buildings for more than two years	We recommend that Management prioritize implementing the Audit Committee's directives on managing idle buildings to ensure efficient use of resources and enhance revenue generation.	Auditors' recommendation noted. However, currently, a) Two institutions, i.e., the Institute of Social Works and Ardhi University, have shown interest in renting the property. Renting arrangements are in progress; and	The Council's building is currently utilized by rental tenants, and another part of the building is used for conducting arbitration and Adjudication meetings.	Implemented

S/N	Financial year	Category	Para	Audit observation summary	Audit recommendation	Management response	Auditor's comments	Status
						b) Currently, the Board Room at Samora Tower building is used for conducting arbitration and Adjudication meetings. Three hundred thousand shillings (TZS 300,000.00) is charged for every meeting conducted. The conference revenue is included in Revenue from coordination of dispute resolutions. During the year under review TZS 14,400,000.00 was realized from forty-eight (48) meetings convened.		
3.	2023/24	Human Resources and Payroll Management	2.3.1	Unmanaged secondment procedures/practices	We recommend that Council management adhere to procedures for retaining or releasing employees under secondments.	The PO-Public Service Management and Good Governance replied to the Council approved to retain the said employee with NCC. The letter	Approval to retain the employees was received from PO-Public Service Management and Good Governance via letter with the reference No. CCA.128/271/01/	Implemented

S/N	Financial year	Category	Para	Audit observation summary	Audit recommendation	Management response	Auditor's comments	Status
						from PS(Establishment is available for the auditor's verification)	B/3 dated 16 March 2023.	
4.	2023/24	Governance	2.4.1	Anomalies noted in Minutes of the Board/Council, Audit Committee, and Management meetings	We recommend that Council management ensure the secretariats of meetings prepare minutes promptly after meetings; Obtain signatures as per the NCC Charter requirements; and disseminate deliberations promptly to facilitate timely implementation.	Audit Committee Minutes and all other minutes have now been signed and placed in their respective files.	Minutes of the Board/Council, Audit Committee, and Management meetings are timely prepared and signed.	Implemented

S/N	Financial year	Category	Para	Audit observation summary	Audit recommendation	Management response	Auditor's comments	Status
5.	2023/24	Information System Audit	2.5.1	Inadequate Meeting of the Institutional ICT Steering Committee	We recommend that management take immediate action to ensure the ICT steering committee adheres to the Guidelines, conducting meetings at least quarterly as required.	The ICT Steering Committee meeting was convened as per the requirements of the ICT Act and Regulation for the financial year 2024/25.	Currently, the ICT Steering Committee meeting was convened as per the requirements of the ICT Act and Regulation.	Implemented
6.	2023/24	Compliance Audit on Procurement	3.1.1	Lack of Warranty from Vendors of ICT Resources/Equipment	We recommend that management include warranty criteria as a mandatory requirement in future procurements.	We are currently doing our best to ensure that the ICT Resources/Equipment got warranty from Vendors	Currently, 15 ICT equipment have a warranty, but 45 ICT equipment have no warranty from vendors.	Under implementation
7.	2023/24	Compliance with tax laws	3.2.1	Anomalies Noted in Tax Law Compliance	We recommend that Council Management strictly adhere to the tax law and regulations to avoid unnecessary fines and penalties.	We are currently adhering to the tax law compliance.	Currently, the Council issues EFD Receipts with all particulars of the customers.	Implemented

S/N	Financial year	Category	Para	Audit observation summary	Audit recommendation	Management response	Auditor's comments	Status
8.	2022/23	Revenue Management	2.2.1	Long outstanding receivable from Rental charges TZS 217,408,264	<p>We recommend that Management to;</p> <p>(a) Establish clear and formal rental agreements with all tenants to avoid disputes and ensure clarity on payment terms.</p> <p>(b) Fully disclose all outstanding balances owed by tenants to avoid misunderstandings and facilitate prompt payment.</p> <p>Strengthen the tenant screening process and lease enforcement mechanisms to mitigate the risk of</p>	<p>The following measures have been taken: - Long outstanding receivables were reviewed. During the 106th Ordinary Council meeting, Councillors approved the write-off of uncollectible receivables amounting to TZS. 53,966,456.00.00 from books of accounts.</p>	<p>We verified the minutes of the 106th board meeting and confirmed that the stated amount was approved by the Board to confirm that it cannot be traced. Also, we noted the management is still struggling to initiate the strategies of collecting the remaining outstanding debts by forming a special task force to follow up on the existing debts.</p>	Under implemented

S/N	Financial year	Category	Para	Audit observation summary	Audit recommendation	Management response	Auditor's comments	Status
					uncollected rent in the future.			
9.	2021/22	Human resources and payroll management	2.2.1	Irregularities noted on the NCC Training Program	We recommend that management prepare a training policy that will guide the training to be conducted. (b) NCC to develop a comprehensive training program for at least three or five years	NCC Training policy is in place, and the comprehensive training program is in place.	We requested a training policy and training program, and noted that it currently exists.	Implemented
10	2021/22	Expenditure Management	2.4.2	VAT transactions posted to the incorrect accounting code amounting to TZS 41.32 million	We recommend that Management enhance the internal controls and processes of NCC to ensure that postings are made to respective account codes.	Currently, NCC uses specific codes for VAT, and it is institutionalized in PlanRep in 2024/25.	Currently, we verified that NCC uses specific codes for VAT therefore we noted that the anomaly was rectified.	Implemented

S/N	Financial year	Category	Para	Audit observation summary	Audit recommendation	Management response	Auditor's comments	Status
11	2021/22	Governance	2.5.1	Inadequate Functioning of the Existing NCC Organization Structure	We recommend that the established organizational structure be effectively implemented by utilizing the available manpower. Also, the heads of the units should be involved accordingly and given full mandate in their respective units.	Currently, the existing organizational structure has been approved, and the same is functioning accordingly.	We have verified the approved organization structure and noted that it was approved by the permanent establishment office on 12 October 2025.	Implemented
12	2020/21	Information Technology (IT) related issues	3.3.2	Lack of Service Level Agreement/MoU between the Council and e-GA in respect of Email and Web hosting.	We recommend that Management ensure that the terms of relationships with e-GA are established formally through a signed Service Level Agreement.	Currently, NCC has a Service Level Agreement received from e-GA and signed by both parties.	Verification was made and the SLA/MoU was confirmed to be in place	Implemented

S/N	Financial year	Category	Para	Audit observation summary	Audit recommendation	Management response	Auditor's comments	Status
13	2019/20	Information Technology (IT) related issues	5.4	The Council had not developed a robust framework that supports the Council-wide disaster recovery planning process.	We recommend that management develop the Business Continuity and Disaster Recovery Plans that will define, among others, the Recovery Time Objectives (RTO) and the Recovery Point Objectives (RPO) of the Council's critical information assets.	Currently, NCC has developed the Disaster Recovery Plan.	The review established that NCC has currently developed DRP	Implemented
14	2018/19	Budget and Budgetary Control Issues	5.24	Low implementation of Council activities.	We recommend management to realign planned activities with the available resources at the council's disposal.	NCC had various challenges during the period as follows: <ul style="list-style-type: none"> Lack of a sustainable financing mechanism; therefore, most targets were not achieved. NCC is currently working hard to increase its internal 	Verification noted that there is an improvement in the challenges that NCCs were facing, such as a slight increase in internally generated revenue and human resources to deliver the NCC function effectively.	Under implementation

S/N	Financial year	Category	Para	Audit observation summary	Audit recommendation	Management response	Auditor's comments	Status
						income sources. ▪ Inadequate human resources to deliver the NCC function effectively.		

Appendix II: The Annual Procurement Plan submitted to the Public Procurement Authority vs the one approved by the Board of Directors

S/N	Tender No. & Description	APP submitted to PPRA - Amount (TZS)	APP approved by the Board of Directors - Amount (TZS)	Difference
1	Tender No. TR20/2023/2024/C/13 for Consultancy Services for Design and Supervision for Construction of NCC office at Central Business Park Dodoma	319,945,000	304,945,000	15,000,000
2	Tender No. TR20/2023/2024/C/20 Automation of Web Base Business Processes	100,000,000	100,000,000	-
3	Tender No. TR20/2023/24/G/04 for the procurement of Office Stationeries and Consumables	100,176,836	95,176,836	5,000,000
4	Tender No. TR20/2023/24/G/05 for the procurement of Food and Beverages	40,000,000	33,500,000	6,500,000

S/N	Tender No. & Description	APP submitted to PPRA - Amount (TZS)	APP approved by the Board of Directors - Amount (TZS)	Difference
5	Tender No. TR20/2024/25/G/06 for the procurement of Diesel	115,450,000	115,450,000	-
6	Tender No. TR20/2024/2025/G/15 for Procurement of Tires	17,000,000	17,000,000	-
7	Tender No. TR20/2024/25/NC/08 for Maintenance and Repair of Motor Vehicles	52,000,000	50,000,000	2,000,000
8	Tender No. TR20/2023/24/G/04 for the procurement of Office Stationeries and Consumables	58,422,000	54,922,000	3,500,000
9	Tender No. TR20/2024/25/G/06 for the procurement of Diesel	80,000,000	80,000,000	-
10	Tender No. TR20/2024/25/NC/08 for Maintenance and Repair of Motor Vehicles	100,000,000	100,000,000	-
11	Tender No. TR20/2024/2025/NC/05 Provision of Conference Facilities	300,390,000	280,390,000	20,000,000
12	Tender No. TR20/2024/2025/NC/23 Provision of Catering Services	4,646,056	4,646,056	-
13	Tender No. TR20/2023/24/G/04 for the procurement of Office Stationeries and Consumables	45,500,000	43,500,000	2,000,000

S/N	Tender No. & Description	APP submitted to PPRA - Amount (TZS)	APP approved by the Board of Directors - Amount (TZS)	Difference
14	Tender No. TR20/2024/25/G/06 for the procurement of Diesel	25,000,000	25,000,000	-
15	Tender No. TR20/2023/24/G/05 for the procurement of Food and Beverages	76,690,000	70,690,000	6,000,000
16	Tender No. TR20/2024/25/NC/08 for Maintenance and Repair of Motor Vehicles	29,500,000	29,500,000	-
17	Tender No. TR20/2024/2025/NC/05 Provision of Conference Facilities	14,000,000	14,000,000	-
18	Tender No. TR20/2024/2025/NC/23 Provision of Catering Services	100,300,000	90,300,000	10,000,000
19	Tender No. TR20/2024/2025/G/11 Supply of Motor Vehicles	663,870,000	633,850,960	30,019,040
20	Tender No. FA/2024/2025/200/ TR20/G/02/1 Supply of Staff Uniform and Clothing	44,500,000	37,500,000	7,000,000
21	Tender No. TR20/2024/2025/G/25 Procurement of ICT Equipments and Servers	115,000,000	100,000,000	15,000,000
22	Tender No. TR20/2024/2025/G/41 Procurement of ICT Equipments	3,160,000	3,160,000	-

S/N	Tender No. & Description	APP submitted to PPRA - Amount (TZS)	APP approved by the Board of Directors - Amount (TZS)	Difference
23	Tender No. TR20/2024/2025/NC/30 Provision of Car Hire of Private Vehicles	60,347,768	55,347,768	5,000,000
24	Tender No. TR20/2024/2025/G/05 Procurement of Camera	48,000,000	46,000,000	2,000,000
25	Tender No. TR20/2024/2025/G/10 Procurement of Licenses of ICT Devices and Software	26,290,000	25,290,000	1,000,000
26	Tender No. TR20/2024/2025/G/05 Procurement of Mobile Phone & Tablet	10,000,000	10,000,000	-
27	Tender No. TR20/2024/2025/NC/03 Maintenance and Repair of ICT Equipment	<u>19,420,000</u>	<u>19,420,000</u>	-
		<u>2,569,607,660</u>	<u>2,439,588,620</u>	<u>130,019,040</u>

Source: NCC Annual Procurement Plan