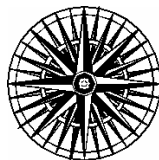


**From Accounting to Accountability:
Managing Financial Records
as a Strategic Resource**

Tanzania: A Case Study

[*infoDEV* No. 257-980121]

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RESPONSIBILITY

Although this study is funded by the World Bank Information for Development (*infoDEV*) Programme, the Bank bears no responsibility for, and is not in any way committed to, the views and recommendations expressed herein.

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LIST OF ABBREVIATIONS

AO	Accounting Officer
CAG	Controller and Auditor General
CPO	Central Payments Office
CSD	Civil Service Department
DAP	Director of Administration and Personnel
DRO	Departmental Records Officer
ERV	Exchequer Receipt Voucher
F & E	Finance and Establishment
FO	Financial Orders
FY	Financial Year
GADP	Government Accounts Development Project
GEPF	Government Employees Provident Fund
GFS	Government Financial System
GoT	Government of Tanzania
GFS	Integrated Financial Management System
MDA	Ministry, Department, Agency
NA	National Archives
PAO	Principal Administrative Officer
PAC	Public Accounts Committee
PV	Payment Voucher
RAMD	Records and Archives Management Division
RCCB	Revenue Collector's Cash Book
Shs	Shillings
SIDA	Swedish International Development Agency
TShs	Tanzanian Shillings

PREFACE

Purpose of the Research Study

This study is part of a project entitled 'From Accounting to Accountability' which has been funded by the World Bank Information for Development (*infoDEV*) Program, with additional funding from the United Kingdom Department for International Development, ESCOR Programme.

Governments are investing heavily in introducing new financial management systems as a means of improving accountability and managerial efficiency. Often this involves computerising and integrating financial management functions from budgeting through to audit. However many efforts to strengthen financial controls fail. Administrators, donors, and other stakeholders need to know why this is the case and how they can improve the success rates of the projects.

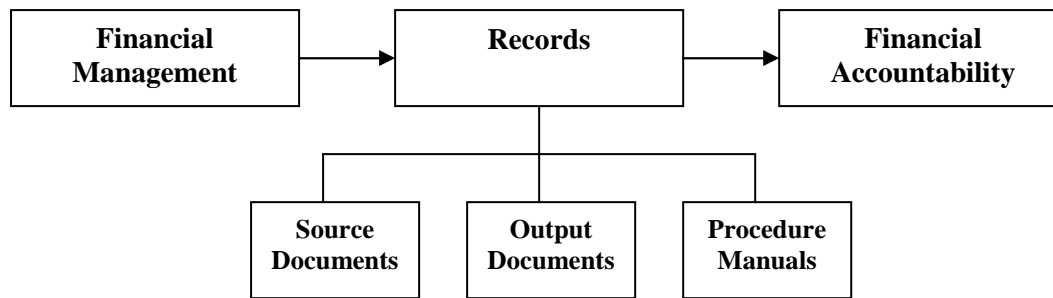
In sub-Saharan Africa, and elsewhere, it is common to find financial records in a chaotic state and this is undermining the ability to audit accounts efficiently and to provide evidence to detect and prosecute fraud. Typically chaotic financial records are seen as a symptom of poor management in the accounting cadre. It is often believed that computerising the financial management workflow will solve any records control issues. However, there are other records management issues to consider.

This study examines the proposition that chaotic financial records are more likely to reflect a failure to set up adequate records management systems and to train staff to use these systems properly and consistently. It attempts to show that chaotic records are not a symptom of poor financial management, but rather contribute to the cause of it.

The research focuses on those records that relate to the accounting and auditing functions of these systems and take account of both the computerised and paper records of accounting transactions as well as relevant administrative, operational and policy records. It defines an accounting system as a system that records actual revenues and expenditures; it comprises the series of tasks and records of an organisation by which transactions are processed as a means of maintaining financial information to provide an accurate account of government expenditure.

Because accounting records exist in a mixed media environment, strong controls are required to protect them against unauthorised access, alteration, copying and destruction - 'the most common and easiest method of fraud is to suppress or falsify transaction data before their introduction into a computer.'¹ Identifying key input, output and control documents to support public sector accounting also forms a critical component of this study.

¹ Michael J Comer. *Corporate Fraud*. Third Edition. (Aldershot, UK: Gower Publishing Ltd: 1998): 214



Records are the link between accounting and accountability

The aim of the research is to provide a means of improving government financial accountability by strengthening accounting records systems. Project outputs include: a reference model to integrate records management into accounting system reform projects and case studies from Namibia, Tanzania and Zimbabwe on the relationship between accounting records and financial accountability. The reference model will establish good practice for managing financial records and provide tools to assess the effectiveness of record keeping systems and the capacity for records management programmes to carry out their mandate. The model does not aim to provide a one-size-fits-all notion of ‘best practice’, but to develop and apply analytical tools to emphasise ‘good fit’ based on a thorough understanding of what exists on the ground and the needs of system users.

Tanzania as a Case Study

Since the 1990s the Government of Tanzania (GoT) has been progressively computerising various aspects of its financial management functions. Despite these computerisation initiatives, large parts of the financial management system continue to be paper-based. This reflects infrastructure and power supply problems in the regions, but also a reluctance to abandon old working practices and a lack of confidence in the reliability and sustainability of the computerised systems. To a degree these concerns are justified with respect to the ability to access and retrieve electronic records over time. Consequently this review will focus on the management of both paper and computerised systems.

The most recent report of the Controller and Auditor General on the Accounts (FY ended 30 June 1998) states that the level of unvouched expenditure, where there is a complete absence of payment vouchers and other supporting documentation, amounted to TSh 5,464m (US\$ 6.85m). In addition, a further TSh 40,364 million (US\$ 50.64 million), was inadequately vouched; in other words although a payment voucher existed, it was not supported by other documentation such as a local purchase order or invoice. The total of unvouched or improperly vouched expenditure amounted to TSh 45,828 million (US\$ 57.5 million). This must be regarded as a conservative figure because it is based on test checks carried out by the Controller and Auditor General’s staff. The true figures are likely to be higher.

The total actual Supply and Development expenditure was Tsh 517,682 million (US\$ 649.538 million). The level of unvouched expenditure thus represents at least 1.05% of total actual Supply and Development expenditure and the inadequately vouched expenditure 7.79%. Combined the unvouched and inadequately vouched expenditure represents 8.85% of actual Supply and Development expenditure for FY ending June 1998.

In all cases of inadequate vouching, the authenticity of expenditure incurred and the purpose for which the payments were made cannot be ascertained and fraud or misappropriation of the sums cannot be ruled out. Thus improving the management of financial records could have a useful impact on the ability of the Government of Tanzania to strengthen its financial accountability.

The results of the assessment may contribute to the ongoing records management reforms carried out by the Records and Archives Management Division (RAMD), Civil Service Department as part of the government's public service reform programme.

Scope of the Assessments

The assessments are intended to provide a picture of the state of financial records across government. Four assessments were carried out: a records management programme assessment, a records management systems assessment, an assessment of facilities and maintenance and a human resources assessment. They were applied to the central Government of Tanzania and included the Office of the President - Civil Service Department, the Ministries of Education and Culture, Finance, and Works, along with the Ministry of Finance - Accountant General's Department, Morogoro Sub-Treasury, and the Tanzania Revenue Authority - Customs and Excise.

To test the applicability of the tools in local government, an assessment was carried out for the Dar es Salaam City Commission.

Most of the financial records to which this case study refers are transaction records. These might include purchase orders, payment vouchers, invoices, payroll records, cash books, subsistence and travel expense reports, bills of lading, inland revenue returns, etc. However, contracts, tenders, payroll case files and other documents that support financial transactions are also considered as part of the assessment in order to ensure that the essential links between the two are in place.

EXECUTIVE SUMMARY

This report focuses on the financial management systems in Tanzania and the financial records that underpin them. It examines core central government systems as well as those used by the Dar es Salaam City Commission, the largest local authority in Tanzania.

The programmes for managing financial records are assessed against a specially developed reference model. The approach used in the assessment is based on developing a thorough understanding of what exists on the ground and emphasises a ‘good fit’ rather than any one-size-fits-all notion of ‘best practice’. The assessment below takes into account what is working on the ground and gives greater weight to what is affordable and realistic in the specific circumstances pertaining in Tanzania.

Central Government

Since the 1990s the Government of Tanzania (GoT) has been progressively computerising various aspects of its financial management functions. The Government Financial System (GFS) uses Platinum SQL application software. It includes all core financial accounting modules including System Management, General Ledger, Accounts Receivable, Accounts Payable, Inventory, Cash Management, Order Entry, Purchase Order, and Asset Management.² Since 1999 all 43 Ministries, Departments and Agencies (MDAs) have been incorporated into the system. Despite this, large parts of the financial management system continue to be paper-based. Consequently this review will focus on the management of both paper and computerised systems. Government offices in Morogoro were visited to gain an impression of the situation outside Dar es Salaam.

The GoT has a serious problem in controlling financial records. The most recent report of the Controller and Auditor General on the Accounts (FY ended 30 June 1998) states that total of unvouched or improperly vouched expenditure amounted to TSh 45,828 million (US\$ 57.5 million). This must be regarded as a conservative figure because it is based on test checks carried out by the Controller and Auditor General’s staff. The true figures are likely to be higher.

The fundamental problem is that as yet, there is no national programme for managing financial records. The management of paper financial records has reached crisis level, but there are also problems with the management of computerised financial records. The Records and Archives Management Division (RAMD), Civil Service Department should work closely and pro-actively with the Ministry of Finance and the Office of Auditor General to provide records management advice and inspect ministries to ensure records management procedures are being followed.

An assessment of the programme, systems, human resources and infrastructure for managing financial records in central government revealed the following issues:

² These modules span the application areas of: Planning and Forecasting, Authorisation, Liquidity and Bank Account Management, Supplies Accounting, Other Expenses, Cash Revenue, Debtor Management, Debt Accounting and Reports.

Legal and regulatory framework

The *Financial Regulations* are out of date and do not take into account the implementation of the Platinum Integrated Financial Management System, particularly the need to manage computerised financial records which the system creates. This is compounded by a widespread belief within government that there is no provision for the admissibility of electronic records in a court of law. An up-to-date *Accounting Manual* is available for sub-treasuries. However, there is no *Accounting Manual* for headquarters and line ministries.

There are significant problems with the existing laws and regulations. There are no generic disposal schedules for financial records that can be applied across all ministries. Moreover, existing archival regulations display an unhelpful bias in favour of preserving records at all costs, irrespective of whether they have a continuing value. It is often the case that the rules with respect to the prompt destruction of redundant financial records are widely ignored or misunderstood.

Organisational structure

The organisational structures are deficient. In practice, responsibility for managing financial records within individual ministries is fragmented and ad hoc. No individual is responsible for ensuring that financial records are kept in good order and are destroyed at the appropriate time. This has caused excessive volumes of records to clog the system.

There are also gaps in the assignment of responsibility at the policy level. No one in the Accountant General's Office is assigned specific responsibility for determining policy for the management of financial records across government. Likewise, the RAMD is lacking an officer assigned with the specific responsibility for providing guidance on the management of financial records.

Financial provisions

The funding allocation for maintaining record keeping systems is inadequate, particularly with respect to paper financial records. Even where funds are allocated in the budget, in practice, owing to cash shortages, the money is not always available.

Staffing

With respect to staffing, the situation was found to be adequate and the facilities for keeping electronic records were good. In other respects the capacity of GoT to manage financial records (both paper and electronic) was inadequate. For example, the RAMD does not have an individual with the requisite qualifications or competencies to provide advice on the management of financial records.

Facilities and Maintenance

The Computer Services Division takes and stores the daily, weekly and monthly back-ups of the GFS system, as well as those for the Civil Service Department's payroll and pensions system. However, in the event of a disaster, neither the GFS Group nor the larger Computer Services Division have access to a complete set of documentation for the GFS System. The documentation that is available is disorganised, which makes it difficult to use efficiently.

Throughout the governmental system, storage areas are congested as a result of the failure to destroy paper financial records. Documents are difficult to retrieve as overcrowding has led to records being piled in heaps on the floor. On the whole, storerooms examined were neither clean nor tidy. Many contained miscellaneous items, which blocked aisles or occupied valuable space on shelves. The congested storage of pensions and personnel files is of particular concern because they are needed to support and verify the payroll system and prevent the recurrence of 'ghost workers'.

There is no programme for the protection of paper financial records, either to deal with disasters when they arise or to prevent their occurrence. The only protective measure in evidence was the presence of fire extinguishers in some storage and office locations. Moreover, paper financial records vital to the resumption of business in the event of a disaster have not been identified and protected. In the event of an emergency, there is a risk that these could be destroyed or irreparably damaged and there would be no means of recovering the information they contain.

Records management systems

Both computerised and paper-based systems were examined. The computerised systems assessment revealed two kinds of issues:

- operational issues: problems with the environment in which the systems operate
- records management issues: weaknesses in the systems' ability to manage financial records.

There are clearly significant operational problems, primarily with the computerised parts of the GoT's financial management system and the environment in which they operate. The implementation of the Platinum GFS has been piecemeal.³ There appears to have been no attempt to integrate implementation into mainstream workflows; this has a negative effect on the creation, capture and management of the input, control and output records that relate to the system.

³ It would appear that the Planning and Forecasting, Authorisation, Cash Management, Trade Expenses, Non-Trade Expenses, and Revenue Accounting application areas are functioning, but not consistently used. The Debtor Management module only takes account of staff debts and the Inventory Management, Asset Management, Fleet Management, and Project Management areas are not functioning at all.

Data transfer was identified as a key issue. Data transfers between the Bank of Tanzania and the Treasury are not occurring; with the exception of smaller accounts, virtually no bank reconciliation is being done. Data transfers between the Civil Service's payroll and pensions system and the Platinum GFS, as well as between Platinum GFA and the Customs and Excise ASYCUDA system, are inadequate. It would appear that no revenue information from the ASYCUDA system is being used to update the GFS.

Concern was expressed that the basic control of the Platinum system was with an external commercial consultancy. The responsibility for financial management and control should be assumed entirely by the Treasury and not reside with an external body.

A consequence of the issues outlined above is that confidence among public servants in the GFS is low. On-going efforts to build confidence in the system and to strengthen the capacity to use the system need to begin with the senior accounting cadre, otherwise junior cadre will not follow.

Both the manual and computerised parts of the system have problems managing their records. An area of weakness is that the audit function of the GFS computerised system is not enabled. This means that the system cannot track changes to transaction data. At a minimum the GFS audit function should allow for the capture and maintenance of information about the movement and use of transaction records.

Another area of concern is the accessibility of data in the computerised financial system over time. There is no means of checking the viability of the older data currently held off-line in the strong room in the Ministry of Finance because the hardware and software needed to restore and read the data are no longer available. No procedures have been established for the long-term preservation of data that is stored off-line to ensure it remains accessible over time. A plan should be developed to migrate off-line data through software and hardware upgrades. In addition, the disaster recovery plan for the computerised system should be strengthened to ensure the ability to restore data if necessary and ensure guaranteed continued access to financial information for as long as that information is required.

Paper financial records can be audited. However, problems with congestion and poor physical arrangement and the absence of location registers hinder timely and efficient audit. In addition, following audit, records are often moved to intermediate storage. As this movement is not tracked, this is also an obstacle to referencing queries.

The regulations for destroying records are not being followed. Most ministries do not have disposition schedules to provide the necessary instructions to control the retention and destruction of records and also in many cases accounting staff are not aware of the correct procedures to follow.

Security controls around the room in the Accountant General's Department are not sufficient to adequately protect blank cheques from theft. The room used by The Customs Section of the Tanzania Revenue Authority to house the ASYCUDA customs management system server in the new location is not secure; access restrictions are not rigorous

Training and career development

In general the level of training in the keeping of both paper and electronic records is more or less acceptable in the short term, but is vulnerable to changing financial management systems. Accounting staff are aware of the basic procedures for keeping financial records. However, there are gaps in skills and knowledge.

In addition, although training in the *keeping* of financial records is adequate for the short term, no individual in either the Accountant General's Office or the RAMD has received any training in the *management* of financial records. Thus, whereas accounting staff can apply existing rules and procedures (which are designed for managing records generated by a centralised mainframe system with a large paper component) the government lacks expertise in deciding what the rules ought to be when systems change. The lack of expertise in managing electronic records is a particular area of concern for the medium to long term.

The IT training for certificate and diploma students in government accounting at the Dar es Salaam School of Accounting is outdated and lacks any practical element. Furthermore, it does not take into account the new accounting systems introduced by GoT.

Inspection and compliance

The most significant weakness in the existing system is that there is no effective mechanism for inspection to ensure that records management regulations and procedures are followed. In practice, regulations are widely ignored. The lack of an effective programme of inspection is unacceptable because it is undermining the sustainability of the records management programme.

Recommendations

The GoT should implement a programme for managing financial records. This should address both the serious problems in controlling paper records and the management of computerised financial records. This will require co-operation between the Records and Archives Management Division, CSD, the Ministry of Finance and line ministries. As a foundation, the Archives legislation, the *Financial Regulations* and procedures need to be updated and revised. The Records and Archives Management Division, CSD must be pro-active in providing records management advice and inspecting ministries to ensure records management procedures are being followed. The Account General's Office will need to assign responsibility for co-ordinating records management policy across government to a senior officer in co-operation with RAMD.

With respect to improving the management of paper records, the programme of work should concentrate on decongesting financial records storage areas to clear them of obsolete records, especially vouchers, and to identifying those that should be kept for longer periods of time. The Departmental Records Officer system co-ordinated by the RAMD should be reinstated or operationalised to ensure that there is a network of officers throughout the administration with responsibility for ensuring good records management practices are carried out.

With respect to computerised financial records, the Ministry of Finance must ensure that there is complete documentation for the Platinum GFS to reduce the risk that GoT will become overly dependent on consultants to sustain the system. It should be handled as a vital record and a duplicate set should be stored off site as a security precaution. The *Financial Orders* and *Accounting Manual* should be brought up-to-date to take account of the Platinum GFS.

There are also specific changes to the operation of the Platinum GFS. These include enabling the audit trail function to facilitate tracking and the work of auditors; reviewing the manual forms used to determine whether they are still appropriate to facilitate data entry into the GFS; and restoring data transfers from the Bank of Tanzania as soon as possible to enable bank reconciliation to be carried out. In addition, improving data transfer between the Civil Service's payroll and pensions systems should be a priority. This should also apply to the Customs and Excise ASYCUDA system and other relevant revenue systems.

Steps to reduce risk should also be taken. These include implementing disaster recovery procedures for paper financial records and strengthening procedures for the computerised financial system. Action should be taken to ensure the long-term preservation and accessibility of GFS data stored off-line in accordance with retention periods defined in authorised disposal schedules.

Finally, consider introducing Data Protection legislation as well as other relevant legislation, such as computer crimes legislation

Detailed recommendations are provided in the relevant sections of Chapters One, Two and Three.

Dar es Salaam City Commission

A records management systems assessment was carried out in the Dar es Salaam City Commission, the largest local authority in Tanzania. The storage facilities at the City Depot were inspected, but there was insufficient time for an inspection of the Mwananyamala Depot, thus the findings have limitations.

Dar es Salaam City Commission is not yet using the Platinum GFS system and manual accounting systems are still maintained. In the Final Accounts Section, a Microsoft Access database has been set up to maintain the General Ledger and a spreadsheet has been set up in Microsoft Excel for preparation of the Budget on a standalone PC. There is duplication of effort through the maintenance of parallel manual and computerised systems.

The controls for managing financial records were evaluated and a number of issues emerged. At the time of the visit, access controls in the Expenditure and Revenue Sections were not in place and the likelihood that unauthorised personnel could remove records seemed high. Congestion has resulted in financial records being piled on shelves and on the floor in the strongroom in no discernible order. Environmental conditions within the strongroom are unsuitable for the storage of documents because the strongroom is damp and not air-conditioned, resulting in mould growth.

Efficient retrieval of salary control books is also a problem, with no system to their arrangement. Retrieval may require a search of records in three locations. Records should be stored logically and best possible use of the available space made.

The storage facilities at the City Depot are not adequate; although there is ample space, storage areas are dirty and filled with miscellaneous items, shelving does not protect from dust and there is no control over pests.

Finally, financial records are not scheduled for transfer or destruction, nor are financial records that should be kept identified for preservation. Where records are transferred to intermediate storage, this is not systematic nor is it documented.

Recommendations

Dar es Salaam City Commission should consider taking the following steps to improve the management of financial records:

- Review workflow against resources and practices, streamline where appropriate.
- Prepare and maintain adequate documentation to indicate the location of records series.
- Prepare procedures governing the transfer of records to storage
- Provide adequate storage facilities in offices for keeping financial records required for current business.
- Draw up disposal schedules and decongest records stores of older records. Without this, the situation will continue to deteriorate and the records will be at risk of loss or tampering.
- Put in place controls over access to financial records. Current financial records were at risk from theft or tampering.

For more information see the relevant section of Chapter Four.

CHAPTER ONE

RECORDS MANAGEMENT PROGRAMME: GOVERNMENT OF TANZANIA

Introduction

This report focuses on the programme for managing financial records in Tanzania and the financial systems that create which create them. It provides context to the current situation, both for financial management and records management. This includes the development of the Platinum SQL financial management system. It is based on an analysis of relevant legislation and regulations, plus extensive interviews with staff at all levels in the Ministry of Finance, Office of the President, Civil Service Department, Ministry of Education and Culture, Morogoro Sub-Treasury, Dar es Salaam School of Accountancy, Ministry of Works, Office of the Controller and Auditor General, Tanzania Revenue Authority and the Prison Services, Morogoro. It incorporates, where relevant, key findings from the assessments of systems, human resources and facilities and maintenance treated in greater detail elsewhere in this report.

Good practice for records management programmes has been defined in *Principles and Practices of Managing Financial Records: A Reference Model and Handbook*, developed by the Rights and Records Institute. Common principles and practices were derived from a number of sources including the draft International Organisation for Standardization ISO 15489 (Records Management), the Australian Records Management Standard (AS 4390/1996) produced by Standards Australia, and other seminal records management texts. The Reference Model is also reflects the practical experience of the International Records Management Trust over ten years in a broad range of countries in Africa and the Caribbean. It provides the benchmark against which the programme for managing financial records was assessed.

Key Findings

An assessment of the programme for managing financial records in central government revealed the following issues:

- Vouchers are not destroyed in accordance with the *Financial Regulations*.
- Archives legislation, the *Financial Regulations* and procedures need to be updated and revised.
- The Departmental Records Officer system needs to be reinstated or operationalised.
- The Records and Archives Management Division, CSD must be pro-active to provide records management advice and inspect ministries to ensure records management procedures are being followed.

- The Account General's Office needs to assign responsibility for co-ordinating records management policy across government to a senior officer in co-operation with RAMD.
- The Ministry of Finance must ensure that they have complete documentation for the Platinum GFS. There is a risk that GoT will become overly dependent on consultants to sustain the system.

This assessment focuses on the control environment (legal, regulatory, organisational); capacity (staffing, facilities and systems); and sustainability (financial provisions, training and enforcement/compliance).

Overall, the control environment for managing financial records was found to be inadequate. The review took into account both the legal and regulatory framework and organisational structures.

There are significant problems with the existing laws and regulations. The *National Archives Act* does not provide the Records and Archives Management Division (RAMD), Civil Service Department (the body charged with directing the management of government records) with adequate powers for the management of current and semi-current records held throughout government. In theory the regulations provide for a system of Departmental Records Officers (one for each ministry) to take responsibility for managing records in their ministries. This is set out in *Archives Circular No. 2 of 1965*. In practice this system is not in operation. There are no generic disposal schedules for financial records that can be applied across all ministries. Moreover, existing archival regulations display an unhelpful bias in favour of preserving records at all costs, irrespective of whether they have a continuing value. It is often the case that the rules with respect to the prompt destruction of redundant financial records are widely ignored or misunderstood.

The main legislation that provides direct guidance for the management of financial records is the *National Archives Act 1965 (as amended 1979)*, which establishes a National Archives and defines its powers, and also defines what is meant by 'public records'. Other relevant legislation includes a new *Public Finance Act* and a *Public Procurement Act*, both of which are part of the government's legislative programme. There are plans to amend the National Archives legislation. Relevant secondary legislation includes *Archives Circular No. 2, 24 August 1965* and the *Financial Orders (Financial Regulations) Fifth Edition, 1983*. Relevant extracts from the legislation are provided in Appendix C; an analysis of legislation and regulations in Tanzania relating to public sector financial management and the keeping and disposal of records is also provided.

The *Financial Regulations* are out of date and do not take into account the implementation of the Platinum Integrated Financial Management System, particularly the need to manage computerised financial records which the system creates. This is compounded by a widespread belief within government that there is no provision for the admissibility of electronic records in a court of law.

Computerised records (including data) are official records. They are subject to legislation and regulations affecting all records created and received by government. This is not well understood by staff.

An up-to-date *Accounting Manual* is available for sub-treasuries. However, there is no *Accounting Manual* for headquarters and line ministries. The *Financial Orders* are out of date, do not reflect changes to the financial management system, and are not harmonised with the provisions for record keeping in *Presidential* and *Archives Circulars*.⁴

The record keeping aspects of the *Financial Orders* are not complied with and are not enforced. There are no written procedures to guide staff in keeping financial records securely.

The organisational structures are deficient. The Accounting Officer in each ministry or agency is generally responsible for accounting records, but records management is not specifically mentioned as a responsibility. Operational responsibility for accounting records is assigned to the Chief Accountant in each ministry or agency until after audit, when vouchers and other records are transferred to the stores under the authority of the Director of Administration and Personnel (DAP) of the ministry or agency. Responsibility for these records is delegated downward to individuals at the supervisory level.

In practice, responsibility for managing financial records within individual ministries is fragmented and ad hoc. Although the *Financial Regulations* make statements about the way financial records should be created, kept, and eventually destroyed, no individual is responsible for ensuring that financial records are kept in good order and are destroyed at the appropriate time. This has caused excessive volumes of records to clog the system.

There are also gaps in the assignment of responsibility at the policy level. No one in the Accountant General's Office is assigned specific responsibility for determining policy for the management of financial records across government. Likewise, the RAMD is lacking an qualified officer assigned with the specific responsibility for providing guidance on the management of financial records.

With respect to staffing in line ministries, the situation was found to be adequate and the facilities for keeping electronic records were good. In other respects the capacity of GoT to manage financial records (both paper and electronic) was inadequate. Specific areas of concern are now highlighted.

The Platinum Government Financial System (GFS), as configured, does not take into account the preservation over time and the eventual destruction of financial records. There is no strategy for migrating data through changes in hardware or software after it has been taken 'off-line' when two to three years old.

The Ministry of Finance does not have complete documentation for the Platinum GFS; the documentation it does have is disorganised. This might compromise both the internal and external audit. There is a risk that GoT will become overly dependent on external consultants to sustain the system.

There is insufficient semi-current storage for pensions records in paper format. Greater capacity is also needed to improve the management of personnel files which are necessary to support and verify the payroll system and prevent the recurrence of 'ghost workers'.

⁴ See Appendix C for key statements.

The regulations for destroying records are not being followed. Most ministries do not have disposition schedules to provide the necessary instructions to control the retention and destruction of records.

There is no programme to protect vital paper records against natural or man-made disaster. There is a limited disaster recovery programme for the Platinum GFS.

In some ministries, the storage equipment for paper records is in poor condition and not sufficient for the purpose.

Sustainability is a key factor in the assessment of the programme for managing financial records. The situation in Tanzania is mixed. The most significant weakness in the existing system is that there is no effective mechanism for inspection to ensure that records management regulations and procedures are followed. In practice, regulations are widely ignored. The lack of an effective programme of inspection is unacceptable because it is undermining the sustainability of the records management programme.

The funding allocation for maintaining record keeping systems is inadequate, particularly with respect to paper financial records. Even where funds are allocated in the budget, in practice, owing to cash shortages, the money is not always available.

In general the level of training in the keeping of both paper and electronic records is more or less acceptable in the short term, but is vulnerable to changing financial management systems. Accounting staff are aware of the basic procedures for keeping financial records and the rules for destroying records. However, there are gaps in skills and knowledge. Staff know what the procedures require, but in many cases they do not understand *why*. This applies at all levels, but is particularly critical at the middle management level, which is responsible for allocating resources on a daily basis. Unless they are persuaded of the value of good records management practice to the efficient running of their institutions, this will remain a neglected function.

In addition, although training in the *keeping* of financial records is adequate for the short term, no individual in either the Accountant General's Office or the RAMD has received any training in the *management* of financial records. Thus, whereas accounting staff can apply existing rules and procedures (which are designed for managing records generated by a centralised mainframe system with a large paper component) the government lacks expertise in deciding what the rules ought to be when systems change. Thus the introduction of the Platinum GFS is likely to create significant disruption in record keeping systems, especially the paper inputs and outputs. Future introduction of other computerised financial management systems is likely to further expose how fragile and unsustainable the existing records management system is in an environment of change. The lack of expertise in managing electronic records is a particular area of concern for the medium to long term.

With respect to the introduction of computerised systems, the IT training for certificate and diploma students in government accounting at the Dar es Salaam School of Accounting is outdated and lacks any practical element. Furthermore, it does not take into account the new accounting systems introduced by GoT.

Recommendations

See Appendix B for questionnaire upon which these recommendations are based.

Institution	Areas of weakness:	Suggested actions:
Ministry of Finance	<ol style="list-style-type: none">1 The <i>Financial Regulations</i> are out of date and do not take into account the implementation of the Platinum Government Financial System (GFS). 2 The rules with respect to the prompt destruction of redundant financial records is widely ignored or misunderstood.	<ol style="list-style-type: none">1 Revise the <i>Financial Regulations</i> and departmental instructions to take into account new systems and records. The new regulations should explicitly recognise the contribution of RAMD in determining records management policy for government. 2<ol style="list-style-type: none">a) Destroy all vouchers that are older than five years and have passed audit after confirming that five years is adequate for legal purposes. This is a ‘quick win’ that could be implemented easily with minimal resource implications. b) Provide sensitisation training for Directors of Administration and Personnel (DAPs), Principal Administrative Officers (PAOs) and Chief Accountants.

Institution	Areas of weakness:	Suggested actions:
Ministry of Finance cont.	3 There is no one in the Accountant General's Office assigned specific responsibility for determining policy for the management of financial records.	3 Amend the job description of a member of staff of the Accountant General's Office at a suitably senior level to include responsibility for determining policy (in consultation with RAMD) for the management of financial records across government, including local government. This post will need to keep abreast of changes to financial systems, draft changes to financial regulations and co-ordinate changes to departmental instructions as appropriate.
	4 In some ministries the storage equipment that is provided is in poor condition and not sufficient for the purpose.	4 Destroy redundant records to free up space. Purchase additional storage equipment as necessary. This is a 'quick win'.
	5 There is a problem providing semi-current storage for pensions records. This facility is also needed to improve the management of personnel files which are needed to support the payroll system and prevent the recurrence of 'ghost workers'.	5 Construct or convert a building as a records centre for the storage of semi-current records.
	6 There is no programme to protect vital records against natural or man-made disaster.	6 Identify vital financial records (eg international loan agreements) and implement a vital records programme.
	7 There is no disaster recovery programme.	7 Develop a disaster recovery programme.
	8 The Platinum GFS does not allow for the implementation of the <i>Financial Regulations</i> rules concerning the preservation and eventual destruction of financial records to be implemented.	8 Amend the functionality of the Platinum GFS to meet the minimum functional requirements for GoT <i>Financial Regulations</i> and for managing electronic records.

Institution	Areas of weakness:	Suggested actions:
Ministry of Finance cont.	9 There is no strategy for migrating data through changes in hardware or software after it has been taken 'off-line' when three years old.	9 Develop a migration strategy for Platinum GFS data to meet GoT requirements for accessing financial data over time.
	10 The hardware and software does not exist to restore the older data stored on back-up reel tapes.	10 Evaluate whether older data is still needed. If it is, outsource the migration of the older data on to a suitable medium.
	11 The Ministry of Finance does not have adequate documentation of the Platinum GFS.	11 Obtain complete systems documentation from Soft Tech. Establish protocols to ensure documentation is kept up-to-date.

Institution	Areas of weakness:	Suggested actions:
Records and Archives Management Division, Civil Service Department	1 The <i>National Archives Act</i> does not provide the Records and Archives Management Division (RAMD), CSD with adequate powers for the management of current records throughout government.	1 a) Enact legislation giving RAMD, CSD authority to specify good records management practices in government offices and to inspect to ensure these practices are being followed. b) The RAMD should be given powers to determine retention periods for categories of records found across government in consultation with relevant ministries and issue generic disposal schedules, and to review the schedules periodically as appropriate.
	2 There are no generic disposal schedules for financial records that can be applied across all ministries.	2 The Office of the Accountant General and the RAMD, CSD should jointly develop and maintain generic disposal schedules for accounting records for application across all ministries.
	3 There is an unhelpful bias in old RAMD regulations in favour of preserving records at all costs, irrespective of whether there is any value in continuing to keep them.	3 Future regulations should present a more balanced approach based on preserving records in the public interest, but should destroy records of no further value promptly and securely, in the interests of efficiency and economy.
	4 There is a widespread belief within government that there is no provision for the admissibility of electronic records in a court of law.	4 Verify with the Attorney General's Office. Amend legislation as appropriate.

Institution	Areas of weakness:	Suggested actions:
Records and Archives Management Division, Civil Service Department cont.	5 There is no one in RAMD assigned specific responsibility for providing guidance for the management of financial records.	5 Amend the job description of a member of staff of the Records Management Section, RAMD to include responsibility for providing guidance for the management of financial records across government, including local government. This post will need to co-operate closely with a counterpart in the Accountant General's Office.
	6 In practice responsibility for managing financial records within individual ministries is fragmented and ad hoc. No one person is responsible for ensuring that financial records are kept in good order and are destroyed on time, causing excessive volumes of records to build up and clog the system.	6 Revive the system of Departmental Records Officers (DROs), but with revised responsibilities. Appoint a DRO in each ministry, sub-treasury and local authority at middle management level (probably the Principal Administrative Officer) with responsibility for the management of all ministerial records. In particular DROs should be held accountable for ensuring that financial records are kept in an orderly manner and destroyed on time in accordance with the procedure specific in the <i>Financial Regulations</i> .
	7 RAMD staff do not receive training in the management of financial records.	7 Provide a member of RAMD staff who has responsibility for the management of financial records with basic training in government financial management concepts and practices, sufficient to allow the post holder to provide guidance and input into the management of financial records.

Institution	Areas of weakness:	Suggested actions:
Records and Archives Management Division, Civil Service Department cont.	8 No individual in either the Accountant General's Office or the RAMD has received any training in the management of financial records.	8 a) A member of staff of RAMD, Records Management Section should receive at least basic training in the management and preservation of electronic records, in particular the functional requirements for electronic records management. Training should also be provided in basic computer operational skills. b) A member of staff of the Accountant General's Office should be assigned responsibility for policy for the management of accounting records throughout government. He or she should receive awareness training of the main issues and risks involved in the management of electronic records.
	9 There is no effective system for ensuring that records management regulations and procedures are followed.	9 a) The RAMD needs to become more pro-active in promoting good records management practice throughout government. b) National Archives legislation should be strengthened to empower RAMD to inspect government offices to ensure records management regulations are being complied with and are amended and updated when appropriate.

Institution	Areas of weakness:	Suggested actions:
School of Accountancy, Dar es Salaam	1 The training for certificate and diploma students in government accounting in IT lacks any practical element and is outdated. It does not take into account the new accounting systems introduced by GoT.	1 a) The syllabus of the certificate and diploma courses in Government Accounting at the Dar es Salaam School of Accountancy should be revised to include training in the use of integrated financial management systems. b) The School of Accountancy should be provided with copies of the Platinum GFS and appropriate hardware to ensure training of accounting staff is relevant and realistic. Teaching staff should also receive appropriate 'refresher' training. The syllabus of the certificate and diploma courses in Government Accounting at the Dar es Salaam School of Accountancy should be revised to include training in the use of integrated financial management systems.

CHAPTER TWO

RECORDS MANAGEMENT SYSTEMS ASSESSMENT: GOVERNMENT OF TANZANIA

Introduction

An assessment was carried out of the management of paper and computerised financial records of the Government of Tanzania (GoT) and Dar es Salaam City Commission.

The focus of this chapter is on the management of financial records in central government. Chapter Four, which follows, examines the management of financial records in Dar es Salaam City Commission, which is the largest local authority in Tanzania.

Within central government, this included assessing the records management capacity of the computerised system managed by the Ministry of Finance. Paper-based records systems and their link with the computerised financial management system were evaluated in the Accountant General's Department, Ministry of Finance; the Ministries of Education and Culture; Health; Finance (as a line ministry) and Works; and Morogoro Sub-Treasury. The assessment also took account of the paper and computerised parts of the revenue collection systems for the Customs & Excise Department, Tanzania Revenue Authority.

In both cases, two sets of *Records Control Requirements*, one for paper systems and one for computerised systems, provide the benchmark against which the systems were assessed. The Rights and Records Institute of the International Records Management Trust defined these Requirements. The Requirements address a system's ability to register/classify, track, access/retrieve, maintain an audit trail, schedule/retain, transfer and destroy records, and are included in Appendix F. They represent the recommended minimum requirements for systems to manage records to support the financial management function. Assessment tools derived from these requirements were used to gather information and facilitate analysis.⁵ An analysis of the results enables the government to identify areas of weakness and to plan interventions.

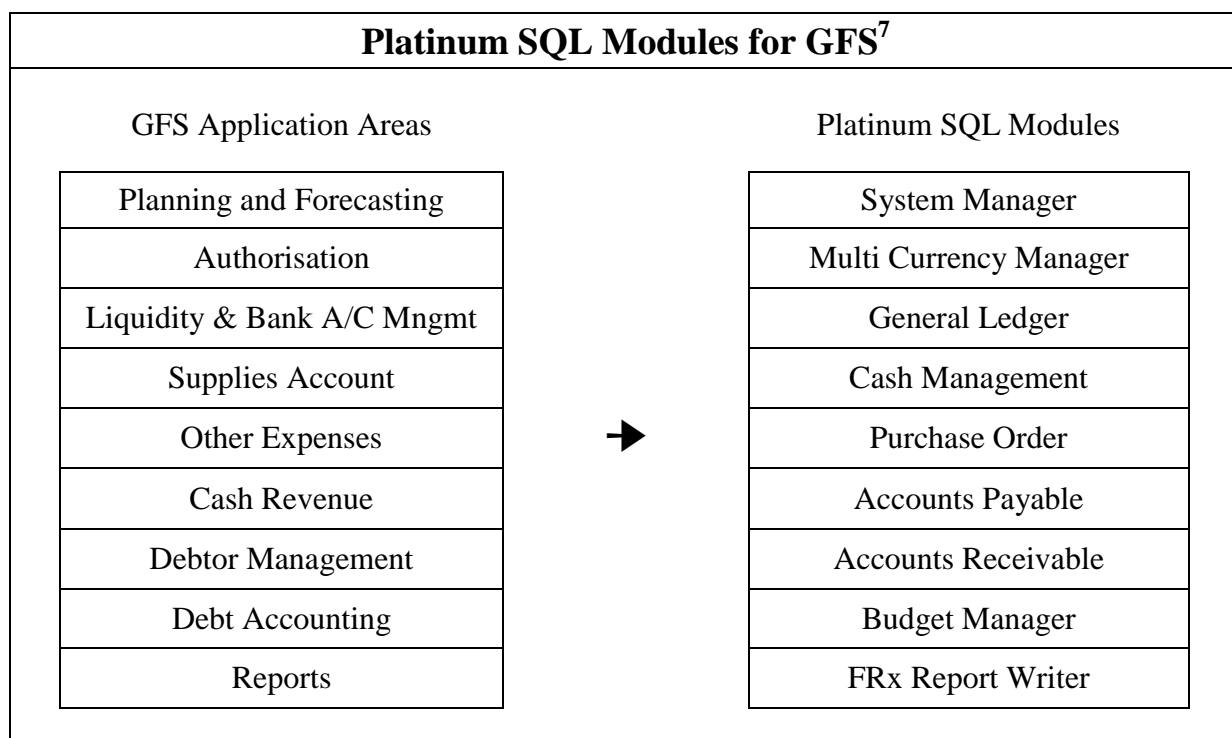
A more comprehensive discussion of the results of this assessment are included in Appendix D.

Description of the System

The GoT manages its finances using a combination of manual and computerised systems. In 1998 work began on the Government Accounts Development Project (GADP). The consulting firm Soft Tech was awarded the tender to implement an integrated financial management system called the Government Financial System (GFS) using Platinum SQL

⁵ See *Principles and Practices in Managing Financial Records: A Reference Model and Assessment Tool*. [London: IRMT, March 2001]

application software. Platinum SQL includes all core financial accounting modules including System Management, General Ledger, Accounts Receivable, Accounts Payable, Inventory, Cash Management, Order Entry, Purchase Order, and Asset Management.⁶ It also provides reporting and customisation with Platinum SQL Publisher (a query report generator), Platinum FRx (a financial reporting tool) and SQL Tools (tools to customise screens).



As of 1999 all 43 Ministries, Departments and Agencies (MDAs) have been incorporated into the system.

Despite the introduction of the Platinum GFS, much of the accounting function throughout government continues to be carried out manually. In the line ministries and the sub-treasuries, the data entry of expenditure and revenue details into the GFS is an additional step in the accounting process and has not replaced any of the manual functions. Maintaining control of input, output and control documents is still of key importance. The flow of these records through the system and where they reside is documented in Appendix E.

The Customs and Excise Department use the ASYCUDA system (Automated SYstem for CUstoms DAta) developed by UNCTAD in Geneva to process and manage manifests and customs declarations, accounting procedures and transit and suspense procedures. ASYCUDA also generates trade data that can be used for statistical economic analysis. The

⁶ These modules span the application areas of: Planning and Forecasting, Authorisation, Liquidity and Bank Account Management, Supplies Accounting, Other Expenses, Cash Revenue, Debtor Management, Debt Accounting and Reports.

⁷ *Government Accounts Development Project: Integrated Financial Management System Presentation*. ISO SMG and Soft-Tech Consultants (Dar es Salaam: Soft-Tech Consultants, 2000): 8.

system takes account of international codes and standards developed by the International Organization for Standardization (ISO), the World Customs Organisation (WCO) and the United Nations. It has been configured to reflect the characteristics of Tanzania's Customs regimes, National Tariffs, legislation and so on.

ASYCUDA operates in a client/server environment. Transaction and control data are stored on a relational database management system. The Government of Tanzania currently runs ASYCUDA 2.7 platform.

Key Findings

Operational Issues

The implementation of the Platinum GFS has been piecemeal.⁸ There appears to have been little attempt to integrate implementation into mainstream workflows; this has a negative effect on the creation, capture and management of financial records that relate to the system. The introduction of the Platinum GFS requires manual data entry to process revenue and expenditure information. It does not appear that the design of the manual data entry input forms has been reviewed and revised to ease the transition to the computerised system and standardise inputs.

It was observed in some ministries that not all revenue and expenditure is managed by the GFS. For example, in the Ministry of Works, no joint funded projects or moneys pertaining to the roads fund are controlled by the Platinum GFS. In addition, the Up Countries Section compiles financial statements which are not input into the GFS. This has implications for the consistency of financial record keeping.

Data transfer was identified as a key issue. Data transfers between the Bank of Tanzania and the Treasury are not occurring due to the Bank's implementation of a new Oracle-based system. Work is on-going to rectify incompatibilities between data fields. In the meantime, with the exception of smaller accounts, virtually no bank reconciliation is being done.

Data transfers between the Civil Service's payroll and pensions system and the Platinum GFS, as well as between Platinum GFA and the Customs and Excise ASYCUDA system, are inadequate. The Civil Service provides a flat file on diskette to the Treasury to update the GFS. It would appear that no revenue information from the ASYCUDA system is being used to update the GFS.

With the introduction of the Platinum SQL system, cheque-printing has been centralised in the Accountant General's Department. Boxes of blank cheques that are not in use are kept securely in a strongroom. However, the box of blank cheques currently being used is kept in an unlocked room underneath the printer. Security controls around this room are not sufficient to adequately protect the blank cheques from theft.

⁸ It would appear that the Planning and Forecasting, Authorisation, Cash Management, Trade Expenses, Non-Trade Expenses, and Revenue Accounting application areas are functioning, but not consistently used. The Debtor Management module only takes account of staff debts and the Inventory Management, Asset Management, Fleet Management, and Project Management areas are not functioning at all.

Concern was expressed that the basic control of the Platinum system was with an external commercial consultancy. The responsibility for financial management and control should be assumed entirely by the Treasury and not reside with an external body.

The legal admissibility of electronic evidence in a court of law remains unclear. In some respects this lowers users' confidence in the system and provides a rationale to accounting staff for maintaining parallel manual systems. The status of computerised information to serve as evidence should be investigated and clarified.

There is no data protection legislation to prevent the misuse of information about suppliers, civil servants, salaries, loans, pensions and other benefits.

A consequence of the issues outlined above is that confidence in the GFS is low. On-going efforts to build confidence in the system and to strengthen the capacity to use the system need to begin with the senior accounting cadre, otherwise junior cadre will not follow.

The ASYCUDA customs management system is a standard application. UNCTAD provides systems documentation, manuals and instructions for the ASYCUDA system. They also have the responsibility for maintaining the system's software. A local company maintains hardware. There was no written procedure or regular schedule for when and how performance is checked. Virus protection software is provided. The Customs Section of the Tanzania Revenue Authority is in the process of relocating. However, the room used to house the server in the new location is not secure; access restrictions are not rigorous.

Records Management Issues

There are clearly significant operational problems, primarily with the computerised parts of the GoT's financial management system and the environment in which they operate. Both the manual and computerised parts of the system have problems managing their records.

Registration and classification is carried out well for both the paper and computerised parts of the financial management system. The computerised financial management system assigns a unique record identifier to each transaction record. This identifier provides a link between the paper source documents and reports and the computerised system. In most ministries examined, the data entry staff write the computer generated voucher number (the unique record identifier) on paper vouchers. The paper voucher number is being input into the invoice field on the computer data entry screen. Currently only payment vouchers are registered. For all other records in the accounting function a unique identifier is not assigned. Methods of storage do not utilise the numbers used for tracking and retrieval purposes.

The Government Financial System (GFS) classifies transactions according to consistent revenue and expenditure categories established to meet the analytical requirements of the government (for example, according to a chart of accounts). There was some confusion as to whether line ministries are using the Platinum GFS for this purpose. Local government and executive agencies are already using the GFS account codes. These codes are consistently applied.

Which records controls are working well?		
	<i>Computerised / Paper</i>	
Registration/Classification.....	Good	Adequate
Tracking	Poor	Inadequate
Access/Retrieval	Inadequate	Inadequate
Maintaining an Audit Trail	Inadequate	Adequate
Scheduling/Retention.....	Poor	Poor
Transfer	Poor	Poor
Destruction.....	Poor	Poor

Records Control Rating:
INADEQUATE

There is low movement of paper financial records outside the finance sections after processing. Principally records may be transferred to storage areas following the annual audit. However, there is no procedure for tracking the movement of records from offices to the storage areas. This hinders the referencing of audit queries over time.

Overcrowded office storage facilities and storage rooms are obstructing timely and efficient retrieval of paper records. Physical arrangement is not systematic and shelving and drawers are not usually labelled. Location registers are not maintained. As a result, finding and retrieving records depends upon individual staff remembering their location or conducting a time-consuming physical search.

Which line ministries are managing paper financial records well?	
Accountant General's Office	Inadequate
Morogoro Sub-Treasury	Inadequate
Ministry of Education.....	Inadequate
Ministry of Health	Inadequate
Ministry of Finance	Inadequate
Ministry of Works	Inadequate
Tanzania Revenue Authority	Inadequate

Although the computerised system does include a variety of security options to help prevent unauthorised access (ie it recognises users in three categories: systems administrator, manager, user), the audit function is not in use. The system cannot track changes to transaction data. The audit function is not enabled because it was felt that

the data generated by it would reduce the system's performance. At a minimum the GFS audit function should allow for the capture and maintenance of information about the movement and use of transaction records. Any amendments or alterations to the record or the deletion of the record must indicate who took this action and when, to determine whether it was authorised. Without this level of control, the ability for the transaction record to provide audit evidence is compromised.

The audit function in the Platinum system is not enabled. The system should permit an auditor to trace transactions between original input, system generated transactions and internal allocations transactions and the financial statement, in both directions, and through

successive levels of summarisation. To meet this requirement, the system should be capable of retaining all relevant data and financial audit trail information for a sufficient time to complete the audit. This includes the ability to preserve the hierarchical relationships in order to be able to trace the links between the transaction records and aggregated reports. Finally, the GFS will need to store audit data as a record.

Paper financial records can be audited. However, problems with congestion and poor physical arrangement hinder timely and efficient audit. In addition, following audit, records are often moved to intermediate storage. As this movement is not tracked, it is an obstacle to referencing audit queries over time. The report of the Auditor General for the financial year ended June 1998 states that the level of unvouched expenditure, where there is a complete



Accountant General's Department, tape storage

absence of payment vouchers and other supporting documentation, amounted to TSh 5,464m (US\$ 6.85m). A further TSh 40,364m (US\$ 50.64m) was inadequately vouched, that is not all supporting documents were available for audit.

Another area of concern is the accessibility of data in the Platinum system over time. There is no means of checking the viability of the older data currently held off-line in the strong room in the Ministry of Finance because the hardware and software needed to restore and read the data are no longer available. It is intended that the current GFS system will maintain data on-line for two to three years depending upon system performance. The *Financial Orders* specify that financial records (which should include the computerised data) must be kept for five years. Providing that the information is no longer required for audit, it may be destroyed after that time. Despite the five year statutory period, no procedures have been established for the long-term preservation of data that is stored off-line to ensure it remains accessible over time. A practical plan should be developed to

migrate off-line data through software and hardware upgrades. In addition, the disaster recovery plan for the computerised system should be strengthened to ensure the ability to restore data if necessary and ensure guaranteed continued access to financial information for as long as that information is required.

The National Archives, in conjunction with staff in each Ministry responsible for records are to produce records disposal schedules. However, there are no disposal schedules in place for financial records so this requirement is not being implemented and records are not being destroyed. The consequences are that record keeping systems are breaking down through congestion and much office space and other accommodation is being wasted.

The requirement for the destruction of financial records is not clearly understood by staff. Although some are aware of the five-year retention rule, others believe that retention is required for ten years, and others that records must be kept forever. The procedure for

obtaining permission for destruction from the Director of RAMD, CSD, as specified in the *National Archives Act Supplement No.6 of 1979, 6 (e) (2)* is also not widely known.

The ASYCUDA SYSTEM automatically generates a unique Customs Registration number, which is recorded on all Customs Declaration forms. This number can be neither modified nor duplicated. All registered transactions are classified according to Customs' schedules.

The ASYCUDA system does keep track of where a record is in the clearance process (eg entry, assessment and so on). It also provides archiving tools and audit tracking facilities.

The ASYCUDA system defines different groups of users and their access permissions. Only authorised systems staff can make amendments to access rights. The system prevents unauthorised viewing and use of records. Searches can be carried out using the transaction date, Customs Registration number and so on. Provisions are made to ensure that records can be accessed through systems upgrades.

Records schedules exist for Customs' records. However, they are not applied to the records in the ASYCUDA system. Technically, however, the system could be customised to incorporate retention periods into systems rules.

ASYCUDA is technically capable of transferring records to off-line storage. However, data is not currently being transferred. No data is being destroyed and there are no plans to do so in future.

The following matrix summarises the scores of the line ministries. They record how the various records controls rated for each system and allow for comparisons across the line ministries. Systems are rated on a scale of 1 to 4, with 1 equating to Poor and 4 to Good. The Records Management Rating is defined as the overall ability of the system to manage the records it contains and is an average of the scores allocated for each function. Scoring follows the same method for both the computerised system managed by the Ministry of Finance and the paper parts of the system assessed in the line ministries.

RATING DEFINITIONS

- 1 : POOR** The system fails to meet the need to provide sufficient and reliable evidence of transactions. Failure to meet requirements may significantly impact on operations.
- 2 : INADEQUATE** The system does not fully meet the need to provide sufficient and reliable evidence of transactions. Shortcomings may have a significant impact on operation.
- 3 : ADEQUATE** The system meets the need to provide sufficient and reliable evidence of transactions. Any shortcomings will only have a minimal impact.
- 4 : GOOD** The system fully meets the need to provide sufficient and reliable evidence of transactions.

SCORES MATRIX: GOVERNMENT OF TANZANIA

FUNCTION	Accountant-General's Office, Ministry of Finance	Morogoro Sub-Treasury	Ministry of Education	Ministry of Health	Ministry of Finance	Ministry of Works	Tanzania Revenue Authority (Customs Section)
Registration	3	3	3	3	3	3	3
Tracking	2	3	2	2	2	2	3
Access/Retrieval	3	4	3	3	2	2	2
Maintaining an Audit Trail	3	3	3	3	3	2	3
Scheduling/Retention	1	1	2	1	1	1	2
Transfer	1	1	1	2	1	2	1
Destroy	1	1	2	1	1	1	1
TOTAL	14	16	16	15	13	13	15
Record Management Rating (Average = Total ÷ 7)	2	2.3	2.3	2.1	1.9	1.9	2.1

Maintenance and Facilities

The Computer Services Division serves as an example of good practice in the management of data. The Division takes and stores the daily, weekly and monthly back-ups of the GFS system, as well as those for the Civil Service Department's payroll and pensions system. Back up tapes of the source codes have been identified as vital records and are kept secure along with the data back-ups in a fireproof air-conditioned data safe housed on site.

A team within the Computer Services Division has responsibility for the development of a disaster and business recovery plan for the Platinum GFS. Provisions for the back-up and safe storage of data are adequate. The plan is tested at the end of each fiscal year. However, in the event of a disaster, neither the GFS Group nor the larger Computer Services Division have access to a complete set of documentation for the GFS System. The documentation that is available is disorganised, which makes it difficult to use efficiently. All systems documentation and updates to documentation should be organised and kept securely to enable efficient use when required.

Copies of the monthly back-ups and source codes are also kept at the Bank of Tanzania. Although there is only one main GFS system, the Tanzania Revenue Authority is running a system with a similar configuration to the GFS and can serve as a back up in an emergency. In addition, the Civil Service Department's server is being upgraded and there is potential that it can provide an alternative server in the event of a breakdown.

A temperature-controlled strong room holds back-up tapes from the previous COBOL-based central payments system. Payroll and pensions data dating back eight years is also stored in the strong room.

There is no programme for the protection of paper financial records, either to deal with disasters when they arise or to prevent their occurrence. The only protective measure in evidence was the presence of fire extinguishers in some storage and office locations.



Tape storage in the Accountant General's Department

Paper financial records vital to the resumption of business in the event of a disaster have not been



Congested storage in the Ministry of Finance

identified and protected. In the event of an emergency, there is a risk that these could be destroyed or irreparably damaged and there would be no means of recovering the information they contain.

Storage areas are congested as a result of the failure to destroy paper financial records. Documents are difficult to retrieve as overcrowding has led to records being piled in heaps on the floor. In addition, storage equipment is inadequate. Filing cabinets are dilapidated; and ladders to access high shelves are not provided. On the whole, the storerooms examined were neither clean nor tidy. Many contained miscellaneous items, which blocked aisles or occupied valuable space on shelves.

Conclusions and Recommendations

The *Financial Orders* and *Accounting Manual* should be brought up-to-date to take account of the Platinum GFS. It is difficult for internal and external auditors to comment on the soundness of financial systems in the absence of clear written guidance and procedures to measure against. Tied to this, training internal and external audit staff to audit electronic systems should be made a priority. Auditors should work with IT staff to determine appropriate audit trail data that should be kept.

The Platinum GFS audit trail function should be enabled to facilitate tracking and the work of auditors. This is a weakness in the current system that may result in fraud.

The lack of adequate systems documentation for the Platinum GFS should be addressed as a priority. This documentation is essential in the event of problems with the system. It is currently held by an external consulting firm. This is unacceptable. Steps should be taken to secure a full set of systems documentation. It should be handled as a vital record and a duplicate set should be stored off site as a security precaution.

The Account General's Department should review the manual forms used to determine whether they are still appropriate to facilitate data entry into the Platinum GFS.

Data transfers should be improved as a priority to ensure that the GFS is receiving accurate data. Failure to do this will affect the ability to make effective management decisions. The data transfers from the Bank of Tanzania must be restored as soon as possible to enable bank reconciliation to be carried out. Without this the Government cannot know its true financial position. In addition methods to improve data transfer between the Civil Service's payroll and pensions systems should be a priority. This should also apply to the Customs and Excise ASYCUDA system and other relevant revenue systems.

As the use of computerised systems increases, the GoT should consider drafting draft Data Protection legislation as well as other relevant legislation, such as computer crimes legislation. Such legislation protects against the misuse of information about suppliers, civil servants and so on.

Financial records storage areas should be decongested to clear them of obsolete records and to identify those that should be kept for longer periods of time. This is key to ensuring that records controls function effectively over time.

The Records and Archives Management Division, CSD should prepare disposal schedules in conjunction with key stakeholders such as the Accountant General, Ministry of Finance and the Auditor General. These schedules should prescribe retention periods for both computerised and paper financial records. Once prepared, it should be the responsibility of RAMD to keep these up to date and to reflect changes in the GFS.

Along with this, written procedures should be prepared, and communicated to staff with responsibility for financial records, on procedures for keeping, transferring and destroying paper financial records. Responsibility for enforcing their use should be allocated to a departmental records officer. Moreover, a circular should be issued to all staff with responsibility for keeping electronic records to inform them that electronic records are indeed public records. Guidance notes should be prepared and circulated to staff on procedures for keeping electronic records.

Disaster recovery procedures should be implemented for paper financial records and strengthened for the computerised financial system. This should include procedures to ensure the long-term preservation and accessibility of GFS data stored off-line in accordance with retention periods defined in authorised disposal schedules.

It is important that enforcement and compliance measures are introduced to ensure that the records control systems are implemented and continue to function adequately over time. Responsibility for enforcing regulations with regard to financial records may be divided between the RAMD and Internal Audit as appropriate.

CHAPTER THREE

HUMAN RESOURCES: GOVERNMENT OF TANZANIA

The organisational structures (ie levels of responsibility) and competencies for managing financial records in the Government of Tanzania were analysed compared to an ‘ideal type’ to identify gaps. This involved consulting relevant documentation and interviews with Directors of Administration and Personnel and management in the Ministry of Finance, Ministry of Works and other line ministries.

Levels of Responsibility

Two matrices are presented below. The first shows the ideal allocation of roles and responsibilities for managing financial records, based on best practice in a number of countries. The second matrix shows the situation in Tanzania.

IDEAL STRUCTURE

LEVELS	RECORDS MANAGEMENT		ACCOUNTING	
	Examples of job titles		Examples of job titles	
<p>TOP MANAGEMENT</p> <p>directs and takes responsibility for policy and operations</p>	<p>National Policy</p> <p>National Archivist/ Director of Archives and Records Management</p> <p>↓</p>	<p>Line Ministry</p> <p>Director of Information/ Director of Administration</p> <p>↓</p>	<p>National Policy</p> <p>Accountant General</p>	<p>Line Ministry</p> <p>Accounting Officer (usually the Permanent Secretary)</p> <p>↓</p>
<p>MANAGEMENT</p> <p>responsible for implementation of policy</p>	<p>Head of Records Management¹</p>	<p>Records Manager²</p> <p>↓</p>	<p>Accountant</p> <p>↓</p>	
<p>SUPERVISORY</p> <p>oversees procedures to give effect to policy</p>		<p>Records supervisor</p> <p>↓</p>	<p>Senior Accounts Clerk</p> <p>↓</p>	
<p>OPERATIONAL</p> <p>executes tasks to achieve policy objectives</p>		<p>Records Clerk</p>	<p>Accounts Clerk</p> <p>↓</p> <p>Junior Accounts Clerk</p>	

Notes

¹ External authority, usually from the National Archives, providing records management guidance to ministries at management level. An important function is to produce authorised disposal schedules for financial records.

² May report directly to the Accounting Officer in smaller administrations

GOVERNMENT OF TANZANIA

LEVELS	RECORDS MANAGEMENT		ACCOUNTING	
SENIOR MANAGEMENT	National Policy Director of Archives and Records Management Division, CSD	Line Ministry Director of Administration and Personnel	National Policy Accountant General	Line Ministry Accounting Officer (usually the Permanent Secretary)
MANAGEMENT	↓ Head of Records Management, RAMD, CSD	↓ ...GAP... ← →	↓ Chief Accountant	
SUPERVISORY		↓ Office Supervisor (Head of Registry)	↓ Assistant Accountant	
OPERATIONAL		↓ Records Clerk	↓ Accounts Assistant	

The first matrix (ideal structure) indicates the relationship between the different functions that should have responsibility for managing financial records in a ministry, department or agency. It shows both the records management structure and that of the accounting staff who may carry out much of the day-to-day financial record keeping. Position titles will vary from government to government, and between ministries. In addition staff numbers and reporting levels will vary.

In many countries, the National Archives is an external body that advises ministries on records management, including procedures and scheduling. It is likely that responsibility for providing advice on the management of financial records will rest with the Head of Records Management within the National Archives body.

The second matrix, representing the organisational structures in Tanzania, shows some deviation from the 'ideal' in the first matrix. At the policy level, the Accountant General's Office does have the necessary powers to determine policy for the management of financial records. However, in practice this responsibility has not been assigned to a particular officer.

The Director of the Records and Archives Management Division, Civil Service Department (RAMD, CSD) is aware of the need to take a more proactive role in this area, but at present his division does not have the relevant legislative authority or expertise to contribute effectively to the management of current financial records. The RAMD needs authority to provide advice to line ministries on the management of financial records currently in use by their creators. An inspectorate role would also be valuable. For such an approach to work, it is important that RAMD and the Accountant General's Office co-ordinate their actions.

Currently, the RAMD is lacking an officer assigned specific responsibility for providing guidance for the management of financial records.

At the operational level, the most notable issue is that there is no records manager position in the line ministries or regional sub-treasuries. This is important because it means that there is no officer at the middle management level charged with responsibility for ensuring that financial records are kept in good order and are destroyed on time.

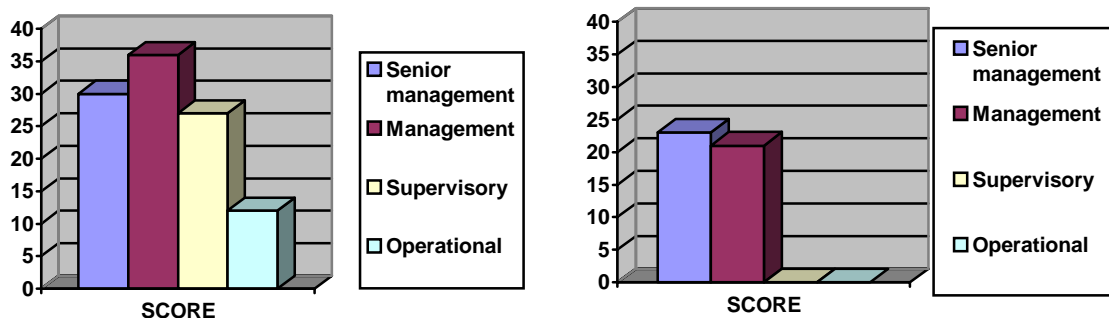
Operational responsibility for accounting records is assigned to the Chief Accountant until after audit, when vouchers and other records are transferred to the stores under the authority of the Director of Administration and Personnel (DAP). In the absence of a records manager or Departmental Records Officer (DRO) in each ministry, responsibility for these records is delegated downwards to individuals at the supervisory level. In practice responsibility for managing financial records within individual ministries is fragmented and ad hoc. This has caused excessive volumes of records to build up and clog the system. Discussions with DAPs suggest that the Principal Administrative Officer (PAO) would be a suitable post in the existing structure that could be assigned responsibility for records management in line ministries (thus reviving the DRO structure) and for acting as a contact point for co-operation with RAMD, CSD.

Competencies and Skills

Having identified the key positions with responsibility for the management of financial records, these positions were analysed to identify gaps in the responsibilities and training. This was done by assessing posts and post holders against a skills matrix and a competencies framework, using a combination of interviews with Directors of Administration and Personnel and post-holders, questionnaires and an analysis of job descriptions, where available.

The main limitation of this approach was that staff at the lower levels were more comfortable communicating in Kiswahili than in English, which may have affected the answers to some of the questions. Nonetheless, the findings appear to be reasonably reliable in that they were corroborated by the DAPs observations. Although there are supposed to be job descriptions for all levels, in practice many ministries have yet to implement job descriptions below the Director level.

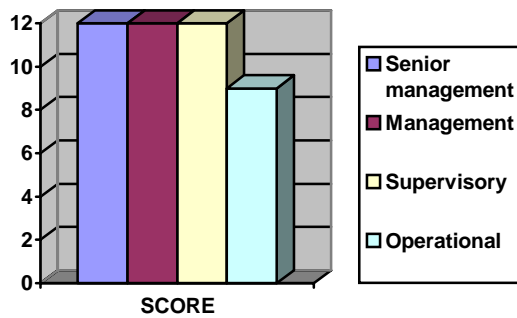
Competencies compared to formal requirements



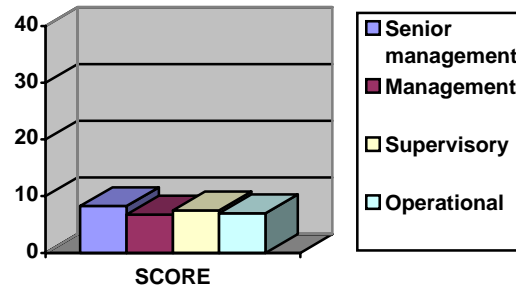
Scores for Ideal Competency Levels

Scores for the Government of Tanzania

Training to meet competencies – ideal scores compared to actual scores



Ideal scores



Scores for the Government of Tanzania

The graph above for ‘ideal’ competency scores shows that it is most critical that records management skills and knowledge are required at the management level. This is where professional staff must have a knowledge of, and be able to apply, records management practice. They must also be able to guide others in the execution of financial records management. The graph opposite illustrates the significant shortfall in the skills needed to manage financial records formally required of civil servants within GoT.

The second pair of graphs compares the training to meet core competencies against potential ideal scores. Again, there is a significant gap between the training required and what is typically provided.

Key Findings

The main findings are summarised below:

- There is a lack of records management knowledge among accounting staff.
- Senior management (DAPs) have gaps in their job descriptions, but they scored well for training and knowledge.
- The Director of RAMD has received training only on general management and general financial skills and therefore has insufficient knowledge of financial systems to make informed recommendations about the management of financial records.
- The Head of Records Management, RAMD has good general management skills and training, but does not have qualifications or training in records management. There is a specific weakness resulting from the absence of training or expertise in the management of electronic records. This aspect is covered for RAMD by the Head of Technical Services.
- The weakness in records management skills is most pronounced at the management and supervisory levels, especially among accounting staff responsible for transaction records.

- Many of the lower level posts do not have job descriptions and, in consequence, it is more difficult to hold them formally responsible for managing financial records.
- There was a widespread lack of computer skills at all levels, except within the technical sections of the Accountant General's Office and sub-treasuries.
- There was little detailed knowledge of the practical issues concerning the management of electronic records in the Records Management Section of RAMD, CSD and at the supervisory and operational levels in line ministries. Interestingly, top management had a better grasp of the main issues in this area.

Recommendations

The Principal Administrative Officer (PAO) of each ministry should be appointed as the records manager by adding this role to his/her job description. This would revive the defunct system of Departmental Records Officers. In addition, responsibilities for managing financial records should be added to job descriptions as appropriate.

Training in 'computer literacy' should be provided for all relevant accounting staff. Basic training should be provided to staff of the Records Management Section, RAMD, CSD in the management of electronic records. Short awareness training courses in records management should be given to all accounting staff.

CHAPTER FOUR

RECORDS MANAGEMENT SYSTEMS: DAR ES SALAAM CITY COMMISSION

Introduction

To test the applicability and scalability of the assessment tools to local authorities, a records management systems assessment was carried out in the Dar es Salaam City Commission.

Dar es Salaam City Commission is the largest local authority in Tanzania. It was restructured in 1996 to create a central administration and three autonomous district administrations: Tameke, Kinondoni and Ilala. As part of this change, the staff of the City Commission were reduced from c.11,000 to c.400 - 500. The accounting section now has 26 staff. At the time of the assessment, the offices of the City Commission were in the process of refurbishment. This office restructuring hindered the accurate assessment of record keeping over time. For example, a large volume of records had been transferred to the City and Mwananyamala Depots two weeks prior to the visit. Storage facilities at the City Depot were inspected, but there was insufficient time for an inspection of the Mwananyamala Depot.

The Treasury Office was the focus to the assessment. Within the Treasury Office there are two main sections:

- Expenditure Section, comprising Cash Office, Pre-Audit, Salaries, Vote Book Section and Final Accounts (includes Bank Reconciliation, Financial Statements and Ledger Accounts)
- Revenue, comprising Planning, and Assessment, Billing and Collection.

Description of the System

Dar es Salaam City Commission is not using the Platinum GFS system; manual accounting systems are still maintained. In the Final Accounts Section, a Microsoft Access database has been set up to maintain the General Ledger and a spreadsheet has been set up in Microsoft Excel for preparation of the Budget on a standalone PC. These duplicate manual systems and are used because it is easier to manipulate the data and to produce reports.

Key Findings

Operational Issues

It would appear that only one individual has the requisite knowledge and skills for using the MS Access database and the MS Excel spreadsheet. This ensures access is restricted, but raises questions of sustainability. Although back-ups of the files are stored on floppy diskettes, these are not kept securely. The operation of parallel systems introduces inefficiencies into the workflow by duplicating tasks.

Records Management Issues

The only system of registration is the numbering and batching of payment vouchers by month. This is in accordance with *Financial Orders*.

As noted above, accounting records had been transferred to two off-site storage areas as a result of office refurbishment. These comprise mainly payment vouchers and salary records, the two most voluminous groups of financial records. A key problem is that there is no documentation to indicate which records have been transferred to which site. Tracking of records therefore depends solely on an individual's recollection and time-consuming physical searches. Although records of the previous financial year remain in the offices, this situation will severely hamper the response to audit queries that related to older records.

Given that the Expenditure and Revenue Sections were in transition during the visit, the assessment of access controls provides a limited snapshot. At the time of the visit, access controls were not in place and the likelihood that unauthorised personnel could remove records seemed high. There are no formal written guidelines governing access. Access to accountable documents, such as blank cheques, is secure as they are kept in a locked strongroom in the Cash Office. However, unused forms are located at the back of the strongroom behind piles of miscellaneous items and will be difficult to retrieve. In addition, congestion has resulted in financial records being piled on shelves and on the floor in the strongroom in no discernible order. Environmental conditions within the strongroom are unsuitable for the storage of documents because the strongroom is damp and not air-conditioned resulting in mould growth.

Efficient retrieval of salary control books is also a problem. Books from 1993 to 1999 are kept neatly in the Cash Office. However, the Salaries Section also has salary control books dated 1986 to 1999 in the office, with no system to their arrangement. Finally, salary control books dating from 1981 to 1996 are located on shelving in the first floor storeroom of the City Depot. Retrieval may require a search of records in all three locations. Records should be stored logically and best possible use of the available space made. The most current records should be kept in a logical order in a designated office according to business needs, older records that do not need to be referenced but must be kept for audit or regulatory purposes should be stored in intermediate storage. Those records that do not need to be kept should be destroyed in accordance with disposal instructions.

Payment vouchers from 1996 to 1999 can be located easily in the ground floor storeroom at the City Depot provided the searcher knows their location. The batches are stored in order by FY and batch number on shelves. However, payment vouchers for previous years, that are still required to be kept under *Financial Orders*, will be difficult to locate. During the visit, it

Which records controls work well?	
Registration/Classification	Adequate
Tracking	Poor
Access/Retrieval.....	Inadequate
Maintaining an Audit Trail.....	Inadequate
Scheduling/Retention	Poor
Transfer	Inadequate
Destruction	Poor
Records Management Rating	
INADEQUATE	

was not possible to determine whether they are all in the first floor storeroom, as bundles and sacks of assorted financial records have been thrown haphazardly on shelves and there was insufficient time to inspect the Mwananyamala Depot.

Storage facilities at the City Depot are not adequate; although there is ample space, storage areas are dirty and filled with miscellaneous items, shelving does not protect from dust and there is no control over pests.

Records are not scheduled for transfer or destruction, nor are financial records that should be kept identified for preservation. Where records are transferred to intermediate storage, this is not systematic nor is it documented.

Financial records in the Dar es Salaam City Commission are not being destroyed. This was illustrated by a box stored in the first floor storeroom in the City Depot containing records, in varying states of decay, dating back to the 1960s to 1980s.

Conclusions and Recommendations

There is duplication of effort through the maintenance of parallel manual and computerised systems. Only one individual knows how to use the database and spreadsheet and this is unsustainable. Workflow should be reviewed against resources and practices, and be streamlined where appropriate. If the decision is made to move toward a computerised system, it must be planned and implemented carefully, with adequate consideration given to the security and back-up procedures necessary to protect the integrity of the data and to minimise the risk of loss. (See *Principles and Practices for Managing Financial Records: A Reference Model and Assessment Tool* [London. IRMT: 2001] for guidance on keeping computerised financial records).

There is no systematic method of tracking records kept in offices or transferred to storage. This is a serious problem as more than one storage location is used and records series can be split haphazardly between locations. Efforts to retrieve specific financial records would be magnified by the potential need to search more than one location. Adequate documentation should be prepared and maintained to indicate the location of records series. Procedures governing the transfer of records to storage should also be prepared to help regulate the process and ensure that if series are divided, this is done logically in a manner that does not inhibit retrieval.

The failure to store current records in a logical and controlled manner will inhibit timely and efficient audit. Improving the storage of records and implementing procedures to regulate practices will help to address this problem. Adequate storage facilities should be provided in offices for keeping financial records required for current business. In addition, maintaining location registers for older records will facilitate the referencing of audit queries.

Records are not being destroyed. Older records are stored in inappropriate conditions in a strong room in the Commission building, at the City Depot and the Mwananyamala Depot (not visited). Failure to destroy records results in storage areas becoming congested and may result in the breakdown of other records controls. Disposal schedules must be drawn up and records stores decongested. Without this, the situation will continue to deteriorate and the records will be at risk of loss or tampering.

Access controls are not in place. At the time of the assessment the Dar es Salaam City Commission was being renovated so there was a large number of people moving around the building. Again, current financial records were at risk from theft or tampering. They should be stored in secure environments to prevent this.

LIST OF PERSONS CONSULTED

Office of The President, Civil Service Department

Mr D Sawe, Director, Management Information Systems
Mr Peter Mlyansi, Director, Records and Archives Management Division
Mr G Kahara, Project Team Leader, Personnel Control and Information Systems Project

Ministry of Education and Culture

Mr K Lema, Director of Finance and Chief Accountant
Mr C Pius, Accountant III, Cash Office
Mr A S Mwaifyusi, Accountant III, Pre-Audit Section
Mr H Tindwa, Accountant II, Final Accounts Section
Ms M Malasi, Computer Operator, Computer Section
Ms A Mtae, Computer Operator, Computer Section
Mr A S Ngunde, Registry Supervisor, Open Registry

Ministry of Finance

Mr A R Mwaisumo, Commissioner for Budget
Mr Ally Mwinyimvua, Accountant General
Mr F Mganga, Director of Administration and Personnel, Treasury
Mr Jingu, Assistant Accountant General
Mr Joel J K Mwanza, Assistant Accountant General
Mr Justine Kivambe, Accounts\Assistance, Sub-Treasury Co-ordinating Unit
Mr Ishmaela A Kasekwa, Assistant Accountant General, Expenditure Management
Mrs Moricia Mzindiki, Senior Accountant, Supervisor, Central Payments Office, Accountant General's Office
Mr Morgan Mwaipyana, Accountant, Bank Reconciliation, Central Payments Office, Accountant General's Department
Mr Ahadi Msangi, Head, Revenue Section, Accountant General's Department
Mrs A Killenga, Head, Exchequer Section, Accountant General's Department
Mr A Machalo, Accountant, Exchequer Section, Accountant General's Department
Mrs Anna Katule, Head of Systems Development Unit, Accountant General's Department
Mr John Selemi, Computer Systems Analyst, Applications Division, Accountant General's Department
Mr M S Cholilo, Head, Confidential Registry, Treasury
Mr Bakari Shehoza, Accountant, Cash Office
Mr Upepo, Accountant, Cash Office, Treasury
Mr Makaweajula, Supply Assistant, Treasury
Ms Gertrude Masota, Accountant III, Treasury
Mr G W L Muro, Chief Accountant, Treasury
Mr Shaaban M Akida, TA/Treasury, Sub-Treasury Co-ordinating Unit
Mr W Gasule, Senior Accountant, Finance and Accounts

Mr U Malimusi, Accountant, Cash Office, Finance and Accounts
Mr Silas Limo, Accountant, Computer Section, Finance and Accounts

Morogoro Sub-Treasury

Mrs Farida, M Mzee, Deputy Sub-Treasurer
Mr Mohamed R Makussi, Senior Accountant, Registration of Vouchers
Mr D Kanena, Accountant II, Bank Reconciliation
Mr Festo Naftah, Accountant, Pre-Audit
Mr Oscar K S Killiwe, Accountant, Cash Office
Mr Faustine F M Lazaro, Accountant, Cash Office
Mrs Sahirfa S M' Lambila, Accountant, Cash Office
Mr H A Makulnuga, Computer Supervisor
Mrs E Kitundu, Office Management Secretary

Dar es Salaam School of Accountancy

Mr S K Msina, Principal
Mr Adolf Mwakinyuke, Tutor, Management Information Systems

Ministry of Works

Mr M D Mugyabuso, Director of Administration and Personnel
Mr G Kyabula, Acting Chief Accountant
Ms E H Abood, Accountant III, Cash Office
Mr P A Meade, Accountant, Financial Control
Mr M W Mnbaga, Accountant, Computer Room
Mr E J Okama, Supplies Officer, Supplies Section
Mrs T H Nguzo, Office Supervisor I, Confidential Registry

Office of The Controller and Auditor General

Mr Thomas M Kiama, Controller & Auditor General
Mr Edwin M Rweyemamu, Auditor and Personal Assistant to the Controller and Auditor General

Tanzania Revenue Authority

Customs & Excise

Mr G P E Lauwo, Commissioner
Mr P M Nguma, Deputy Commissioner: Dar-es-Salaam
Mr W M Setonga, Deputy Commissioner: Upcountry Operations and Preventive Services
Mr S S Yusufu, Regional Revenue Officer

Mr A Marua, Accountant, Cash Office
Mr R L Shirima, Acting Principal Collector: Procedures and Licensing
Ms C Ruhundwa, Supplies Officer
Mrs M D Valentine, Acting Senior Human Resources Officer
Mrs Hongera Mhando, Senior Registry Supervisor
Mr P S Magazi, Head of Valuation and Tariff
Mr J Kidai, Principal Business Analyst - in charge of ASYCUDA
Mr Isaac Kalumuna, Business Analyst

Prison Services, Morogoro

Mr Paul Mjata, Senior Assistant Commissioner Prisons
Mr M Ekwebe Sothi, Accountant, Prisons Services

Dar es Salaam City Commission

Ms L Dauda, Accountant, Expenditure Section
Mr L Godfrey, Accounts Assistant I, Expenditure Section
Mrs C Muhombe, Personal Secretary to City Treasurer
Ms A Sehikinga, City Supplies Officer
Mrs E Saramba, Supplies Officer, City Depot
Ms M Mnasa, Storekeeper, City Depot

Soft Tech

Ms B Shah, Senior Consultant
Mr Christopher Vuhahula, Consultant
Mr M P Choksi, Manager, Technical Services

International Managent Consultants (IMC)

Mr P Harding, Managing Director
Mr S Maugham, Associate Director
Mr G Anderson, Senior Accountant

PricewaterhouseCoopers

Miss Suzanne Flynn, Consultant
Mr Sandip D Rughani, Consultant

RECORDS MANAGEMENT PROGRAMME ASSESSMENT: GOVERNMENT OF TANZANIA

Purpose

This assessment evaluates the state of financial records held in ministries and agencies throughout government as well as the records management environment. This will enable government to identify areas of weakness that require improvement and to target interventions.

The assessment is based on professional good practice.

Methodology

The assessment comprises reviews of the:

A: Control Environment

- Legal and regulatory framework
- Organisational structure

B: Capacity

- Adequacy of resources
- Adequacy of records management systems

C: Sustainability

- Financial provisions
- Training
- Monitoring/compliance

The assessment was carried out through a programme of interviews of senior records staff in the Records and Archives Management Division, Civil Service Department and selected ministries, senior accounting staff in the Ministry of Finance and selected ministries, and senior managers in other ministries. It was also necessary to examine legislation, regulations and procedures that provide the framework for both financial and records management.

The following sections comprise:

- A 'score card' of the programme level assessment
- Key issues
- Recommendations
- Structured questionnaire, with findings.

SCORE CARD OF THE PROGRAMME LEVEL ASSESSMENT

Control Environment				Score
Legal and regulatory framework	<input type="checkbox"/> Good	<input type="checkbox"/> Adequate	<input checked="" type="checkbox"/> Inadequate	1
Organisational structure	<input type="checkbox"/> Good	<input type="checkbox"/> Adequate	<input checked="" type="checkbox"/> Inadequate	1
Capacity				
Staffing	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Adequate	<input type="checkbox"/> Inadequate	2
Facilities (Paper records)	<input type="checkbox"/> Good	<input type="checkbox"/> Adequate	<input checked="" type="checkbox"/> Inadequate	1
Facilities (Electronic records)	<input checked="" type="checkbox"/> Good	<input type="checkbox"/> Adequate	<input type="checkbox"/> Inadequate	3
Adequacy of records management systems (Paper records)	<input type="checkbox"/> Good	<input type="checkbox"/> Adequate	<input checked="" type="checkbox"/> Inadequate	1
Adequacy of records management systems (Electronic records)	<input type="checkbox"/> Good	<input type="checkbox"/> Adequate	<input checked="" type="checkbox"/> Inadequate	1
Sustainability				
Financial provisions	<input type="checkbox"/> Good	<input type="checkbox"/> Adequate	<input checked="" type="checkbox"/> Inadequate	1
Training (Paper records)	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Adequate	<input type="checkbox"/> Inadequate	2
Training (Electronic records)	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Adequate	<input type="checkbox"/> Inadequate	2
Enforcement/compliance	<input type="checkbox"/> Good	<input type="checkbox"/> Adequate	<input checked="" type="checkbox"/> Inadequate	1
			Total:	16
			Average:	1.45
Scoring:				
Inadequate = 1				
Adequate = 2				
Good = 3				
Maximum possible score = 33				

Key Issues

The following aspects were identified as of particular importance:

- A key problem is the failure to destroy vouchers in accordance with the Financial Regulations.
- Archives legislation and financial regulations and procedures need to be updated and revised.
- The Departmental Records Officer system needs to be reinstated
- The Records and Archives Management Division, CSD must be given a pro-active role to provide records management advice and inspect ministries to ensure records management procedures are being followed.
- The Account General's Office needs to appoint a senior officer with responsibility for co-ordinating records management policy across government in co-operation with RAMD.

Structured Questionnaire, with Findings

A Control Environment			
Legal and Regulatory Framework	Yes	No	Comments
<p>1 Is there primary legislation in place that provides direct guidance for the management of financial records? For example, a Public Records/National Archives Act.</p> <p>National Archives Act, 1965 (as amended 1979) See Appendix C</p>	Yes		<p>New legislation in the pipeline.</p> <p>The 1965 Act provides no authority to specify good records management practices in government offices.</p> <p>The National Archivist has no responsibility for the management of current records in government offices.</p> <p>The National Archivist does not have the power to inspect government offices with regard to the management of their records and require changes where necessary.</p> <p>The National Archives Act does not empower the establishment of a records management division of the Records and Archives Management Division, CSD</p> <p>The Records and Archives Management Division, CSD should be given powers to determine retention periods for categories of records found across government and issue generic disposal schedules.</p> <p>The Records and Archives Management Division, CSD should be empowered to make regular reviews of disposal schedules.</p>

A Control Environment				
Legal and Regulatory Framework		Yes	No	Comments
2	<p>Is there other legislation in place that provides indirect guidance for the management of financial records? For example, Constitution, Finance and Audit Act, and so on</p> <p>Public Finance Act 2000 (draft) Public Procurement Act 2000 (draft) See Appendix C</p>	Yes		
3	<p>Are there regulations and instructions that provide guidance for the management of financial records? For example, Financial Instructions, Accounting Manual</p> <p>Archives Circular No 2, 24 August 1965 Financial Orders (Financial Regulations) Fifth Edition, 1983 See Appendix C</p>	Yes		<p>The existence of this circular does not appear to be widely known nor is it implemented.</p> <p>The terms of this circular places emphasis on the <i>preservation</i> of records rather than their destruction when no longer needed. This has created an unhelpful bias in favour of preserving records at all costs, irrespective of whether there is any value in continuing to keep them. Future regulations should present a more balanced approach based on preserving records in the public interest, but destroying them promptly and securely when they are no longer needed, in the interests of efficiency and economy.</p>
4	<p>Are the laws and regulations consistent in their requirements for managing financial records? If not, where do the laws and regulations conflict?</p>	Yes		<p>However, it would be helpful if the Financial Regulations explicitly recognised the role of the Records and Archives Management Division, CSD in determining records management policy for government.</p>

A Control Environment			
Legal and Regulatory Framework	Yes	No	Comments
5 Are these laws/regulations relevant and up-to-date?		No	<p>The Financial Regulations will need revision to take into account the new Platinum GFS system, particularly the need to provide regulations for the control and maintenance of electronic records (backing up of data, disaster recovery plans, etc). Individual departmental instructions (where they exist) will also require revision.</p> <p>The Archives Circular No. 2, 24 August 1965 which provides for the designation of Departmental Records Officers refers to an administrative structure that no longer exists.</p>
6 Are these laws/regulations enforced?		No	<p>Vouchers are not destroyed according to the Financial Regulations. On the rare occasions that financial records are destroyed, this is done without reference to the National Archivist.</p> <p>The authority of the Records and Archives Management Division, CSD needs to be strengthened to allow it to enforce existing National Archives legislation.</p>
7 Do these laws/regulations set out requirements for how long financial records must be kept? See answer to Question 2.	Yes		<p>Some accounting staff interviewed were under the impression that records need to be kept for ten years or even forever.</p> <p>The Tanzania Customs Departmental Instruction No. 13 1973 prescribes longer retention periods than the Financial Regulations and refers to records that no longer exist. It is still being used as an authority for making disposal decisions.</p>

A Control Environment			
Legal and Regulatory Framework	Yes	No	Comments
8 Do these laws/regulations make provision for the admissibility of electronic records as evidence in a court of law? If not, is there any case law or precedent that affects the legal admissibility of electronic records?		No	It would appear that this has not been tested in the courts. The Central Bank has raised this concern with respect to the use of electronic transfers of credit to pay major suppliers.
9 Does the law require the appraisal and authorised disposal of public records?	Yes		However, in the majority of cases it is not being applied to financial records. In some cases records have been destroyed without the consent of the National Archivist as required by legislation.

Organisational Structure		Yes	No	Comments
Key Staff and Responsibilities				
10	Within ministries, do financial instructions assign responsibility for financial records management?	Yes		The Accounting Officer is generally responsible for accounting records, but records management is not specifically mentioned. Aspects of records management responsibilities are prescribed in the regulations, but this does not amount to a comprehensive records management system for financial records.
11	Is there a post that includes responsibility for policy for the management of financial records across government within the Ministry of Finance?		No	There is a need to assign responsibility for policy for the management of financial records in government to an appropriate senior officer in the Ministry of Finance.
12	Is there a post that includes responsibility for policy for the management of financial records across government within the National Archives?		No	The post of Head of the Records Management should include this responsibility, but it is not explicitly stated in the job description.
13	If so, is this responsibility delegated? And if so, to whom is it delegated?	Yes		<p>The Archives Circular No. 2, 24 August 1965 provides for the designation of a Departmental Records Officer (DRO) but this system does not appear to be in effect.</p> <p>In each ministry or agency responsibility for accounting records is assigned to the Chief Accountant until after audit, when vouchers and other records are transferred to the stores under the authority of the Director of Administration and Personnel (DAP). In practice responsibility for these records is delegated downwards to individuals at the supervisory level. Although the Financial Regulations make statements about the way financial records should be created, kept, and eventually destroyed, there is no one officer responsible for managing financial records. In practice responsibility for managing financial records is fragmented and ad hoc.</p>

Organisational Structure		Yes	No	Comments
Key Staff and Responsibilities				
				<p>Records held in the Open or Confidential Registries (for example contracts, specifications and drawings) are the responsibility of the Head of the Registry, but these do not include the main categories of financial transaction records.</p> <p>The absence of a clearly identifiable individual responsible for the overall records management in a ministry is a weakness in the system because no one person is responsible for ensuring that financial records are destroyed on time, causing excessive volumes of records to build up and clog the system.</p> <p>It would appear that the DAP is too highly graded and has too many other responsibilities to play the role of records manager for a ministry. In contrast, the Registry Supervisors have only responsibility for records in the registries, which excludes large numbers of transaction and computer generated records. Moreover, they are at the supervisory level and have neither the authority nor are of the necessary calibre to be effective as records managers. Because Registry Supervisors are not within the finance and accounts reporting line they cannot exercise control over financial transaction records.</p>
14	Are those responsible for keeping financial records in ministries aware of their responsibility?	Yes		Yes, in so far as the regulations specify particular actions, but not in the general sense of responsibility for implementing records management programmes, procedures and controls.

Organisational Structure		Yes	No	Comments
Key Staff and Responsibilities				
15	Is responsibility for providing guidance on records management assigned to the National Archives?		No	Although the Records and Archives Management Division, CSD has been implementing a government-wide records management programme for policy records, this does not extend to financial or personnel records. The existing programme has affected the records held in registries, but not elsewhere in ministries.
16	If so, is this set out in law? Please list which law.		No	The absence of legal authority for the Records and Archives Management Division, CSD to provide guidance on records management is a weakness in the system. The GoT should consider giving the National Archivist an independent role (on the lines of the Controller and Auditor General) to inspect, comment and provide guidance on records management throughout government, and address the resource implications of doing so.
17	Is responsibility for preparing and issuing disposal schedules for financial records assigned to the National Archives? If not, to whom is it assigned?		No	Schedules exist for some ministries but not for others. Most of the disposal schedules that exist date from the 1970s and are out of date. It is not part of the culture of the Ministry of Finance to issue disposal schedules. There is a need for co-ordination between the Accountant General and the Director of the Records and Archives Management Division to develop generic disposal schedules for accounting records for application across all ministries.

Organisational Structure		Yes	No	Comments
Main Systems				
18	Describe briefly the main computerised financial systems.	Yes		<p>Platinum GFS. Intended to cover all revenue and spending departments including 9 regional sub-treasuries. The system is being piloted in a number of ministries and regions. Only certain of the modules have been implemented.</p> <p>Integrated Payroll and Personnel System. The personnel part of the system is not fully operational.</p> <p>Debt management. This is managed using software provided by the Commonwealth Secretariat.</p> <p>ASYCUDA Customs management system.</p>
19	Where are the main computerised systems located?			<p>Platinum Integrated Financial Management System - Ministry of Finance. The system has been piloted in 13 sites in ministries in Dar es Salaam and in some regional sub-treasuries.</p> <p>Lawson Payroll/Personnel System - Civil Service Department.</p> <p>Commonwealth Secretariat Debt Management System - Ministry of Finance.</p> <p>ASYCUDA Customs Management System – Tanzania Revenue Authority.</p>

B Capacity				
Adequacy of Resources		Yes	No	Comments
Staffing				
20	Are the numbers of staff adequate for maintaining control of financial records?	Yes		DAPs have commented that the calibre of registry staff is not always sufficient.
21	Do accounting staff have the right qualifications/competencies for managing records for their assigned roles?		No	Training is limited to the implementation of the Financial Regulations. The recent policy of recruiting qualified accountants to the accounting cadre should help to address this shortcoming. However, selected individuals may need specialised training in records management.
22	Do National Archives staff have the right qualifications/competencies for managing financial records for their assigned roles?		No	This is a gap in the capacity of the Records and Archives Management Division, CSD. There is no one individual that has the requisite qualifications and competencies.
Facilities (paper records)				
23	Is suitable records storage equipment provided in offices? For example, filing cabinets.		No	Storage varies by ministry. In some ministries the equipment that is provided is in poor condition and not sufficient for the purpose. However, the situation could be improved by removing redundant records.

B Capacity				
Adequacy of Resources		Yes	No	Comments
Facilities (paper records) continued				
24	Is there a records centre where semi-current records may be transferred?		No	<p>Archives Circular No. 5, 3 February 1967 announced the launching of a Records Centre run by the (then) National Archives and described basic procedures for transferring records from ministries to the records centre. It would appear that this service was either never fully implemented or was subsequently discontinued.</p> <p>There is a problem in providing adequate semi-current storage for pensions records. This facility is also needed to improve the management of personnel files which are needed to support the payroll system and prevent the recurrence of 'ghost workers'.</p> <p>Presently, there appears to be sufficient storage space in the ministries for general accounting records, provided they are destroyed promptly after five years or post audit, as provided by the Financial Regulations.</p>
25	If so, does the records centre have adequate facilities for storing records according to records management standards? For example, adequate space, storage containers, shelving, temperature and humidity monitoring and controls, etc.		No	N/A

B Capacity				
Adequacy of Resources		Yes	No	Comments
Facilities (electronic records)				
26	Are there suitable storage facilities for electronic financial records? For example, controlled environment, back-ups, etc.	Yes		The storage for the Platinum GFS and Lawson Payroll/Personnel system is an example of good practice. However, the storage safe is not temperature controlled. See systems report for detail.
27	Are there any records that are only kept in electronic format that are required for more than ten years?		No	At present lack of confidence in the existing Platinum GFS and problems of power supply and equipment (mainly in the regions) has led to a situation where the system of maintaining manual records has continued almost unchanged. There are sufficient parallel manual records, though this may change in the future if confidence in the Platinum system increases.
28	If YES to the above, are there adequate facilities for the long term storage and management of electronic records		No	N/A for the present. However, if there is a shift in working practices to greater reliance on electronic records, the ability to access data over time and to restore data in the event of a systems failure will become critical.
Adequacy of Records Management Systems (Paper records)		Yes	No	Comments
29	Are there written procedures describing financial records management functions, eg registration, tracking, retrieval, storage, scheduling, destruction, etc.		No	In general, written procedures do not exist. However, individual departmental instructions concerning documentation may exist (eg Customs).
30	Are procedures up-to-date and relevant to current financial management systems? For example, if systems have been computerised is this reflected in the procedures?		No	

Adequacy of Records Management Systems (Paper records) continued		Yes	No	Comments
31	Are records management procedures consistently applied across all ministries? The Auditor General's reports may be helpful in forming a view on this point.		No	In particular, some ministries do not destroy records according to the regulations. The largest problem area appears to be the Ministry of Finance itself. Other areas where records have not been destroyed include the Ministries of Health, Works, Morogoro Prisons Service and Dar es Salaam City Council.
32	Are vital paper records identified and protected against disaster?		No	In general, there appears to be no vital records programme for paper financial records. The apparent absence of a vital records programme for the records of major international loan agreements is a particular source of risk
Adequacy of Records Management Systems (electronic records)		Yes	No	Comments
33	Do the main computerised systems have adequate records management functionality to meet the requirements of the financial regulations?		No	The Platinum GFS does not allow for the implementation of the financial regulations concerning the preservation and eventual destruction of financial records. There is no strategy for migrating data through changes in hardware or software after it has been taken 'off-line' when three years old. The Platinum GFS has already been upgraded once. The hardware and software does not exist to allow old pre-upgrade data held on back-up tapes to be retrieved. See systems report on Platinum GFS.
34	Does the Government have adequate documentation of its main computerised financial systems?		No	The Ministry of Finance does not have adequate documentation of the Platinum GFS.

Adequacy of Records Management Systems (electronic records)		Yes	No	Comments
35	Are vital electronic records identified and protected against disaster?	Yes		There is a good vital records programme for the computer files for the Platinum system. However, the absence of manuals and systems documentation for the Platinum GFS is a serious weakness.
36	Is there a comprehensive disaster plan?	Yes		There is a disaster recovery plan for the Platinum GFS, but it has not been fully tested. A disaster recovery plan is being developed for the Lawson Payroll/Personnel system. There appear to be no disaster recovery plans for other areas.

C Sustainability				
Financial Provisions		Yes	No	Comments
37	Is there a budget for managing financial records?	Yes		There is no separate budget, but the DAP is responsible for ensuring that the ministry budget includes provision under various headings.
38	If so, is the budget adequate for maintaining records according to legal requirements and records management standards?		No	DAPs report that although the Vote might be nominally adequate, in practice cash shortages during the course of the year prevent the money being spent. This is a particular problem for large items such as filing cabinets and shelving.
Training (paper records)		Yes	No	Comments
39	Do National Archives staff receive training in the management of paper financial records? If so, who provides this training?		No	This is a weakness in the capacity of the Records and Archives Management Division, CSD to perform the role it ought to do in providing advice and guidance to line ministries.
40	Do staff in ministries originating or using financial records receive training in the management of paper financial records? If so, who provides this training?	Yes		Accounting staff do not receive systematic training in records management. However, graduates of the School of Accounting Certificate or Diploma courses in government accounting are taught how to apply the Financial Regulations, including those provisions regarding financial records. This is adequate for most purposes. Some registry staff have received some formal records management training, but these staff do not manage transaction records.
41	Is this training relevant to the financial system and procedures in place?		No	The introduction of the Platinum GFS will require the introduction of new procedures, which will have to be taught systematically throughout the government service.

Training (paper records) continued		Yes	No	Comments
42	Is there a career structure for record keeping staff within ministries?	Yes		There are separate schemes of service for registry, accounting and archives staff. There are plans to rationalise registry and archives cadres into a single scheme of service.
Training (electronic records)		Yes	No	Comments
43	Do National Archives staff receive training in the management of electronic financial records? If so, who provides this training?		No	As the management of government finance becomes increasingly computerised, this gap in capacity will become increasingly felt.
44	Do accounting staff receive training in the management of electronic financial records? If so, who provides this training?		No	
45	Is this training of accounting staff relevant to the financial system and procedures in place?		No	Graduates of the School of Accounting Certificate or Diploma courses in government accounting do not take into account the Platinum GFS and have no practical element regarding information technology. The School has only three old computers and none of them contains accounting software packages, with the exception of Microsoft Excel. The teaching staff either have limited IT skills or their skills are becoming outdated.
46	Is there a career structure for record keeping staff within ministries?	Yes		There are separate schemes of service for registry, accounting and archives staff. There are plans to rationalise registry and archives cadres into a single scheme of service..
47	Is staff turnover so fast that it has an impact on the sustainability of the system?		No	Limited problem for registry staff

Enforcement/Compliance	Yes	No	Comments
48 Does the National Archives have an assigned role as inspector of financial records management in ministries?		No	
49 If not, is this role assigned to any other body?		No	
50 Are regular inspections carried out? Please list the frequency of inspections.		No	
51 Does the National Archives have the authority to enforce its recommendations? If so, please list the law/regulation where this is set out.		No	The Records and Archives Management Division can discuss records management issues with ministries and attempt to achieve its aims by persuasion, however, the poor state of records management in many ministries suggest that its powers need to be strengthened to inspect and require improvements to the management of current records
52 Do the Auditor General's reports comment regularly on the keeping of financial records	Yes		The reports are up to date and comment frequently on unvouched expenditure or cases where vouchers are missing.

SUMMARY OF KEY STATEMENTS FROM LEGISLATION AND REGULATIONS

An examination of legislation and regulations in Tanzania relating to public sector financial management and the keeping of records and archives identified a number of statements governing the keeping and disposal of financial records. The three key areas are:

- records management infrastructure
- responsibilities assigned to both records and archive staff
- procedures for carrying these out.

Many of these provisions have not been put into effect. In addition, some provisions are conflicting, particularly in respect to the destruction of financial records where there is a lack of clarity regarding whether responsibility lies ultimately with the Treasury or the National Archives.

Legislation and regulations examined includes:

- The Constitution of the United Republic of Tanzania, 1977
- Public Finance Act, 2000 [to be enacted]
- Public Procurement Act, 2000 [to be enacted]
- National Archives Act, 1965
- Act to amend the National Archives Act, 1979
- Presidential Circular No 7, 2 December 1963
- Archives Circular No 2, 24 August 1965
- Archives Circular No 5, 3 February 1967
- Financial Orders (Financial Regulations) Fifth Edition, 1983
- Sub Treasuries Accounting Manual
- Tanzania Customs, Departmental Instruction No.13, 1973

Infrastructure

National Archives:

The National Archives Act of 1965, amended 1979, establishes a National Archives with responsibility for public records. Records are defined as those conveying information by any means whatever. [*National Archives Act 1965, 2*]

National Advisory Council:

The Act also establishes a National Advisory Council and describes its composition [*NA 1965, 17*]. This body is supposed to advise and recommend Archives and Records Disposal and Preservation Schedules. [*Amendment to National Archives Act 1979, 9.2 (f)*] **Not operational**

Records Centre:

A records centre for the storage of inactive files was established in 1965. This is intended to provide the basis for a government-wide records management system. [*Archives Circular No 5, 1967, 1-2*] **Not operational**

Records Schedules

Records Schedules, drawn up by the National Archives and Departmental Records Officers, are to be published in the Gazette Supplement. [*Archives Circular 2, 1965, 4*] **Not operational**

Responsibilities

Records Staff

The Minister responsible for the National Archives may make regulations regarding the transfer of records to the Archives, and for the responsibilities of public officers for the custody of records, and the destruction of records. [*NA 1965, 18*] **Not operational**

The Act confers on the Director and other officers of the National Archives the power to inspect public records and select those appropriate for transfer to the archives facility. [*NA 1965, 9.1*]

Records may not be destroyed without the written consent of the Director of the National Archives. Contravention of this may result in a fine or imprisonment. [*Amendment to NA Act 1979, 6 (c)*] **Not operational**

The National Archives is responsible for working with Departmental Records Officers to produce Records Schedules for each Ministry. [*Archives Circular 2, 1965, 4*] **Not operational**

Ministry Staff

Responsibility for records within each Ministry, Department or Agency (MDA) is allocated to an appropriate Senior officer, normally a Senior F&E schedule officer. In this function they are known as the Departmental Records Officer. This individual is responsible for the custody of all public records within their organisation and their duties are described in the National Archives Act 1965. [*Archives Circular 2, 1965, 2-3; NA 1965, 9.2*] They are to draw-up and publish Schedules of Disposal for their ministry in conjunction with the National Archives. [*Presidential Circular 7, 1963, 9; Archives Circular 2, 1965, 4*] They are also to arrange for the orderly transfer of files to the Records Centre. [*Archives Circular 5, 1967, 3*] **Not operational**

It is the responsibility of Departmental Record Officers to see that no records are destroyed until Schedules are in place. [*Archives Circular 2, 1965, 6*] **Not operational**

Public offices must make adequate and continuing provision for the physical preservation and safe-keeping of records, both current and those in storage. The execution of these arrangements is the responsibility of Office Supervisors and Chief Clerks. [*Presidential Circular 7, 1963, 9*]

Specific responsibility for the financial records required to be maintained is accorded to Accounting Officers. [*Financial Orders 2.8.1; Accounting Manual: Sub Treasuries 3.1*] Revenue Officers are also required to maintain certain records. [*Accounting Manual: Sub-Treasuries 3.2.2.1*]

In addition, responsibility for the safe custody and storage of financial records and accountable documents is assigned to Supervising Officers [*FO 3.4.3 (a)*]; the Head of the Accounting Division [*FO Appendix B.4, Section 1.3*]; the Accountant in Charge, Final Accounts Section [*FO Appendix B.4, Section 4 (g)*]. Any officer in possession of receipts is responsible for their safe custody until relieved. [*FO 3.4.1*]

The Auditor General is given the right of access to all records concerning any type of account in order to carry out their audit and Accounting Officers must facilitate this access. [*Constitution 1977, Section 143.3; Public Finance Act 2000, Section 32.5; Financial Orders 1983, 1.8.1*] A similar right of access to documents is accorded to officers of Internal Audit. [*Financial Orders, 1.9.4*]

Procedures

The general principle of the importance of ensuring the safe custody of accountable documents is recognised in the Public Finance Act. [*Public Finance Act 2000, 7.2*] This clause also authorises the establishment of procedures to enable this. Procedures governing the keeping of records are codified in a number of regulations as follows:

- safe keeping of public records selected for transfer to the National Archives [*NA Act 1965, 9.2*]
- keeping unused accountable documents, including cheque forms, under lock and key [*FO 2.3.1, 4.5.2 (b)*]
- maintaining proper controls over issuing and receiving forms [*FO 3.4.3 (b), Appendix A 29.1*]
- attaching supporting documents to payment vouchers to create the record [*FO 2.4.3*]
- keeping payment vouchers and supporting documents safe [*FO 2.4.3*]
- serially numbering and batching vouchers [*FO 2.6.2 (b); Accounting Manual: Sub Treasuries 6.2*]
- maintain records of issue [*FO 3.4.1; 3.4.3 (b-ix); 4.5.2 (c), Appendix A 29.1*]
- filing documents [*Accounting Manual: Sub Treasuries 2.2.1, 2.2.2.4, 3.2.2.1*]
- destruction of records [*FO 1.11.1-3, 3.7; Customs Departmental Instruction No. 13 Part VI*]⁹ **Not operational**

Statements drawn from legislation and regulations

NATIONAL ARCHIVES ACT, 1965

Section 1

Establishes a National Archives.

Section 2

... ‘records’ are defined as written records conveying information by any means whatever’
 ... ‘public records’ mean the records described in the Schedule to this Act.

Schedule Part I (1):

The records of any Ministry or Government department or any commission, office or other body or establishment under the Government.

⁹ According to the Financial Orders designated financial records must be kept for five years providing they have been audited. After this time they **may** be destroyed. Copies of counterfoils of issued receipts can be destroyed after notification by the CAG that they are no longer required, and subsequent authorisation by the Accounting Officer. For those accountable documents not designated, the authority of the Treasury must be sought prior to destruction. Prior to destruction, the Accounting Officer must obtain Treasury approval. Destruction must be witnessed by two authorised officers and a Certificate of Destruction submitted to the CAG. [FO 3.7.3] These instructions are both out of date and not implemented.

The Customs & Excise department of the Tanzania Revenue Authority has more comprehensive procedures for destruction and records schedules. These are also out of date. A key provision is that record **must** be destroyed after their scheduled retention period. This removes the bias towards preservation that otherwise exists.

Section 9 (1)

The Director and any officer of the National Archives authorized by him shall have the power to examine public records which have not been transferred to the National Archives and to select those which ought to be preserved and transferred to the National Archives.

Section 9 (2)

It shall be the duty of every person responsible for, or having the custody of, public records which have not been transferred to the National Archives:-

- (a) to afford to the Director and any such officer appropriate facilities to such examination and selection; and
- (b) to provide for the assemblage and safekeeping, in accordance with any regulations made under this Act and the directions of the Director, of those public records which are selected for preservation and any public records, whether or not examined by the Director or any such officer, which the Director has directed shall be preserved, pending their transfer to the National Archives.

Section 9 (3)

Public records selected for transfer to the National Archives shall be transferred thereto not later than twenty years from the date of their creation:

Provided that the transfer of any public records to the National Archives may be withheld after the expiration of the said period if, in the person having the custody thereof, the said records are required for administrative purposes or ought to be retained for any other special reasons and, where that person is not a Minister, the Minister responsible for archives has been informed thereof, has given his approval for withholding such records, and has prescribed some alternative manner for preserving them.

Section 9 (4)

The Director may, if it appears to him in the interests of the proper administration of the National Archives, direct that the transfer of any category of public records shall be suspended until arrangements for their reception have been completed.

Section 9 (5)

Public archives may be temporarily returned to their office of origin at the request of the person by whom or the office from which they were transferred.

Section 17

Establishes a National Advisory Council.

Section 18

The Minister may make regulations providing for:- ...

- (b) the transfer of any public records to the National Archives;
- (c) the responsibilities of public officers for the custody of public records [[check: is something missing?]] the examination, disposal or destruction of public archives and public records.

ACTS SUPPLEMENT NO. 6 OF 1979
AN ACT TO AMEND THE NATIONAL ARCHIVES ACT, 1965

6. Section 10 of the principal Act is amended –

(e) by adding, immediately after subsection (1), the following new subsections -

(2) No person shall destroy or dispose of any public records save after consulting and obtaining the written consent of the Director. In that behalf, and, where the Director gives the consent subject to any conditions, after compliance with those conditions. [[check sentence complete]]

(3) Any person who contravenes or fails to comply with the provisions of subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding five thousand shillings or to imprisonment for a term not exceeding ten months, or to both such fine and imprisonment.

9. Amending Section 17 of the principal Act. Establishing National Archives and Records Management Advisory Council. Duties to include

(2)(f) the presentation and recommendation of Archives and Records Disposal and Preservation Schedules.

PRESIDENTIAL CIRCULAR NO 7, 2 DECEMBER 1963
CARE AND DISPOSAL OF PUBLIC RECORDS

The responsibility of Public Offices

9. It must be the responsibility of all public offices to make adequate and continuing provision for the physical preservation and safe-keeping of records, both when they are current and especially when they are put away in a closed store and tend to be neglected. In Ministries and Departments responsibility for ensuring that proper arrangements are made should be vested in the senior 'F&E' Schedule Officer, and he should co-ordinate and exercise effective supervision over the arrangements made by Divisions (with branch registries) and out stations. In Regional and District Offices Administrative Secretaries and Area Secretaries should exercise these functions. The execution of the arrangement is the responsibility of Office Supervisors and Chief Clerks, who must be given the fullest support to enable them to discharge their duties

11. Finally except where authorised by existing Government Orders and Statutory Rules, there should be no further destruction of public records unless the agreement of the Government Archivist has been obtained. If a situation arises in which existing conditions of storage are so bad that the preservation of records in a reasonable condition is impossible, the Government Archivist should be informed at once.

ARCHIVES CIRCULAR NO 2, 24TH AUGUST, 1965
ENFORCEMENT OF NATIONAL ARCHIVES ACT

2. Each public office which comes under the schedule of the Act will be asked to allocate responsibility for Records to an appropriate Senior officer, who will for this purpose be designated Departmental Records Officer and who will be the 'person responsible for, or having custody of, public records' mentioned in Section 9 (2) of the Act, which Sub-Section outlines the duties of such officers.

3. The Departmental Records Officer will normally be: in a Government Office, the Senior "F&E" schedule officer; in a Regional Office the Administrative Secretary; in a District Office the Area Secretary; in a Local Authority the Town Clerk or Executive Officer; and in any other public authority, an officer of comparable rank. Executive duties in connexion with records will be the province of Office Supervisors and Chief Clerks.

Records of Courts of Law remain subject to the Records (Disposal) Ordinance (cap.9) as amended by this Act.

4. Section 9(1) of the Act empowers the Director to inspect public records and select those which are to be transferred to the National Archives. This power of selection will be employed by means of an official Schedule of Records Preservation proper to each public office, the terms of which will be agreed between the Archives staff and Departmental Records Officers. Complete Schedules will be published in the Gazette Supplement. Each public office may therefore expect a visit from the Archives staff during which the records in it will be surveyed in detail and a draft Schedule drawn up.

6. It is however intended that the Schedules will come into effective use as soon as they are completed, in so far as destruction is concerned. Until such time as a Schedule of Record Preservation is authorized in respect of their office or Department, Departmental Records Officers are asked to ensure that there is *no further destruction of public records whatever*. Where this entails immediate storage difficulties, DROs are asked to get into contact with the National Archives Staff, who will do their best to assist.

ARCHIVES CIRCULAR NO 5, 3 FEBRUARY 1967
RECORDS CENTRE

1. The National Archives Office in consultation with the Treasury (O&M) has started a Records Centre whereby all non-classified files will be carefully preserved as soon as they are reasonably inactive in registries. This Circular is to inform all offices concerned the launching of the Records Centre (Scheme) Services.

2. A properly thought-out Records Management Scheme is a necessity for a modern Government. The establishment of this Records Centre will be a logical relief to registries and a step in the development of the National Archives as an administrative common service....

3. In order to have a smooth flow of records from registries to Records Centre, members of the Archives staff will be visiting Ministries and Public Offices to confer with the Departmental Records Officers in order to arrange for the transfer of the files to the Records Centre.

4. To avoid any complications on transfer procedure the National Archives will issue boxes to the Departmental Records Officers who, with the help of the National Archives staff, will insert the records in these boxes. Records should be packed in boxes in file index order. Transmittal lists should be made for each consignment of records. These lists should be retained in the office. The National Archives will issue the kind of forms to be used for this purpose.

PUBLIC FINANCE ACT 2000 [not yet in force]

Section 6 (6) The Permanent Secretary ... be given all available information he may require with regard to the moneys and records in respect to them.

Section 7 (1) ... the Accountant General may ... give such instructions of a general or specific character to accounting officers as may be necessary for the effectual implementation of this Act.

Section 7 (2) (a) ... the Accountant General shall ... specify ... the basis the accounting to be adopted and the classification system to be used there and ensure that a proper system of account is established

Section 7 (2) (b) ... ensure ... that adequate provisions exist for the safe custody of ... accountable documents.

Section 32 (1) (d) ... the Controller and Auditor General may ... without payment of any fee, cause search to be made in and extracts to be taken from any book, document or record in any public office.

Section 32 (5) In the exercise of his duties the Controller and Auditor General or any person duly authorised by him in writing, shall have access to all records, books, vouchers, documents, cash, stamps, securities, stores or public property in possession of any officer or any other person who has received or dealt with public money or property.

Section 40 (1) (a) The Controller and Auditor-General shall ... keep full and proper records of all revenue and expenditure and of all the assets, liabilities and financial transactions of the Office.

PUBLIC PROCUREMENT ACT 2000 [not yet in force]

Section 22 (1) Each procuring entity and each approving authority shall maintain a record of procurement proceedings in which each is involved, including decisions taken and the reasons for it and such record shall be kept for a period of not less than five years from the

date of completion of the contract and be made available within a reasonable time during that period to the Minister and the Controller and Auditor General, or any other officer.

Section 22 (2) The record referred in subsection (1), may under special circumstances be kept beyond the period specified in that subsection.

FINANCIAL ORDERS (FINANCIAL REGULATIONS) FIFTH EDITION, 1983

Section 1.11. DESTRUCTION OF RECORDS:

1.11.1. Records.

Cash Books, Ledgers, Journals, Payment Vouchers and similar accounting records may be destroyed after a period of five years, but only after they have been audited.

1.11.2. Counterfoils.

Copies of counterfoils of issued receipts may be dispensed with after notification that they are no longer required by the Exchequer and Audit Department.

1.11.3. Other Documents.

Destruction of other obsolete accountable documents will only be done on the express authority of the Treasury.

Section 2.3. SECURITY OF VOUCHER FORMS:

2.3.1. Safe Custody.

Voucher forms for use in connection with payments must be afforded maximum security to prevent their unauthorized use All voucher forms must be kept under lock and key at all times and their issue for normal usage made against an Issue Voucher.

Section 2.4. PAYMENT VOUCHER COMPLETION:

2.4.3 Supporting Documents.

The original invoices and statements relating to the payment must be attached to the original payment voucher except where the volume, size or weight of the attachments make it inadvisable to do so. In such a case [sic] should be separately packaged and suitably cross-referenced to the payment voucher concerned. The custody afforded the unattached documents, which are an integral part of the payment document, should be no less 'safe' than that given to the payment voucher to which they relate.

Section 2.6. PAYMENT:

2.6.2. Completion of Payment.

(b) Serial numbering of vouchers

All vouchers - that is payment vouchers, transfer/journal vouchers must be serially numbered according to the months they are executed. The serial numbering provides a permanent accounting record and a sequential batching system.

Section 2.8. RECORD OF PAYMENTS:

2.8.1. Accounting Officers.

The records required to be maintained by Accounting Officers are shown in Appendix A. 13 to these Orders.

Section 3.4. SECURITY AND CONTROL OF OFFICIAL RECEIPTS

3.4.1. Safe Custody.

... Every officer having in his charge any kind of official receipts will be fully responsible for them until such time as he is properly relieved. All types of receipt forms issued for normal use must be issued to the officers against an issue voucher each time they need to replenish their stock

3.4.3. Control.

(a) Accounting Officer to Exercise Overall Control

While it is the duty of the Accounting Officer to ensure that proper control is exercised, at every level of his Organization, over all official receipts held on charge as main or local stock, it is equally the responsibility of a Supervising Officer to ensure that stocks of receipts (counterfoils) books or forms and other accountable printed media under his charge at the station or office are afforded maximum security and that those officers under him issued with such media exercise maximum care over their utilization. Any calculated loss or losses of such forms or books resulting in their unauthorized use will be the personal responsibility of both the Supervising Officer and the officer so issued with the forms or books.

(b) Control Measures:

The exercise of proper control measures will entail:-

- (i) The security and proper storing of stocks preferably under lock and key;
- (ii) The prompt and accurate registering of stocks held, stocks received and stocks issued and the recording of series of completion in a Register of Counterfoils (See Annexure 37);
- (iii) The thorough checking of stocks received so as to ensure not only that items and quantities received correspond with the issue note particulars but also that printing errors have not occurred (eg incorrect numbering, originals and copies not corresponding, insufficient copies, etc);
- (iv) The avoidance of over-stocking, particularly at sub-collector level, and of over-issue to cash collectors. Cash collectors should not hold greater quantities of receipts than necessary;
- (v) Insistence on regular and frequent pay-in by Collectors and the prompt submission of the appropriate receipt accounting thereof;
- (vi) Insistence on the prompt submission of accurate returns of unused receipts each month by all officers having stocks in their charge (See Annexure 33.B);
- (vii) Arranging for the prompt checking of all returns of unused receipts against records of issues and of receipts brought already to account;
- (viii) The obtaining or loaning of receipts forms by both Collectors and Sub-Collectors from or to other Accounting Officers (Collectors and Sub-Collectors) is discouraged as mis-appropriation may occur through this system;
- (ix) The maintenance of issues and receipts record in a Register of Counterfoils.

Section 3.7. DISPOSAL OF RECEIPTS:

3.7.1. Used.

The attention ... is drawn ... to the necessity of ensuring that safe and orderly storage is afforded to the book copies of all issued receipts until such time as the Controller and Auditor General has advised that he no longer requires them to be held. It will be then for the Accounting Officer concerned to say whether the copies should be retained further or destroyed

3.7.3. Obsolete and Unusable Receipts.

(a) Destruction of Receipts

Unused receipts which have become obsolete or which are so damaged as to be unfit for use will be destroyed by such means as will prove the most successful in rendering the media concerned completely unusable.

(b) Treasury Approval Required

Before such material is destroyed it will be necessary for the Accounting Officer to obtain Treasury approval of the action contemplated. Destruction will be carried out in the presence of at least two authorized officers and a copy of the Certificate of Destruction will be sent to the Controller and Auditor General.

(c) Controller and Auditor-General to 'Release'.

It will be understood that where the book copies of used receipts are bound into a book or pad of obsolete or unusable receipts, destruction cannot take place until the Controller and Auditor-General has 'released' the used copies involved.

Section 4.5. CHEQUE FORMS:

4.5.2. Security.

The security afforded to cheque forms will be in no way inferior to that which is considered appropriate in the case of any other accountable forms and will involve:- ...

(b) the retaining of the forms under lock and key when not in use

(c) the proper maintenance of a stock register ...

Appendix "B.4" Section 1.3

... the Head of the Accounting Division ... ensures the custody of all original vouchers, statements, supporting data, etc.

Appendix A

Section 29. COLLECTORS OF REVENUE

29.1 Issues of receipt books, licence forms, fixed fee receipts, etc; will be controlled by the Accounting Officer who is directly responsible for the actual collection of Revenue and/or Appropriations-in-Aid and each Sub-Collector of Revenue will be required to submit Monthly Returns of Unused Receipt forms (unused counterfoils) to his own Accounting Officer. The Accounting Officer will place an order with the Documents Section at the Treasury for all accountable printed matters on behalf of his Collectors. Collectors may only requisition sufficient stocks in good time from their Accounting Officers.

Appendix "B.4"

4. Final Accounts Section:

The Accountant in Charge will:

(a) check or verify batches received from the Cash Office and other outstations;

(c) maintain ledger cards according to Sub-Votes;

(g) take safe custody of accounting documents stores for vouchers, journals, complete register for batches (See Annexure 22.C)

ACCOUNTANT GENERAL'S DEPARTMENT SUB TREASURIES, ACCOUNTING MANUAL [[DATE OF ISSUE]]
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Section 2 Payments on Behalf of Accounting Officers**2.2.1 Accounting Section Procedures – Receipt of Accounting Officers Funds**

On return of the processed batches from the Computer Section these will be filed in date order.

2.2.2.4 Handover of Cheques

Each person receiving a cheque will sign a copy of the PV (Payment Voucher) and the cheque despatch list in the appropriate place. The copy of the PB will be filed by Warrant Holder.

Section 3 Revenue Collection on Behalf of Accounting Officers**3.1 Introduction**

It is the responsibility of Accounting Officers to ensure that a proper system exists for the collection of revenue and its transfer into the Consolidated Fund. In order to achieve this it is the responsibility of each Accounting Officer to ensure proper records are kept for, and proper control exercised over, this function. The principles involved in this are set out in the legislation and in particular in Section 3 of the Financial Orders.

3.2.2.1 Collection and Monitoring of Revenues

In order to facilitate this the Revenue Officer will maintain charts of Revenue Collectors returns by date and volume. The Revenue Office will also be responsible for the maintenance of the revenue deposit account Cash Book and the Appropriations-in-Aid Cash Book and in this respect will have the responsibilities outlined in Section 4 of this manual.

On receipt of processed batches of RCCBs from the Computer Section the actions taken by the Revenue Section conclude with the instruction to 'File the processed batches in Cash Book order'.

3.4.2 Application for Appropriation-in-Aid Funds

A copy of the receipt and the letter of transfer will be passed to the Accounting Section Front Office by the Accounting Section where it will be dealt with in accordance with Section 2.2.2 above.

Section 5 General Ledger and Reporting**5.3 Reporting**

In view of the fact that the transactions undertaken by the Sub Treasury will be sent on a daily basis to the main government accounting system, all users of that system will be able to access the information on a regular and timely basis. However, in order to enable Accounting Officers to be informed fully of all transactions and to enable them to check on their accuracy, the following additional monthly reports will be supplied to them in hard copy. These reports will be sent to the Sub Treasury in Dar es Salaam, where they will be collated, checked against the system and logged. They will then be sent to the relevant Accounting Officer.

Section 6 Computer Section Procedures**6.2 Procedures**

With the exception of Journal Vouchers which will originate and be returned to the Head of Sub Treasury, all transactions captured by the Computer Section will be processed in batches. The Computer Section will be processed in batches. The Computer Section will receive and dispatch batches in accordance with the following table.

DOCUMENTS	FROM	TO
Warrant of Funds/ERV	Accounting Section	Accounting Section
Warrant Holder PVs	Accounting Section Front Office	Accounting Section
RCCBs	Accounting Section Front Office	Revenue Section

Section 7 Accounting for Remittances between Treasury, Accounting Officers and Sub Treasuries

7.2.2 The Sub Treasury

Reporting

The Platinum system will provide a report which will perform this aggregation when run and be available to all with access to the Sub Treasury's accounts including those responsible for supervision of the system in Treasury. Comparison of the results of this procedure with the Ministry's records as shown in the Platinum system will enable a reconciliation process to be undertaken and anomalies and mistakes rectified. This report will be produced in hard copy on a monthly basis by each Sub Treasury and distributed by each Ministry by the Sub Treasury in Dar es Salaam.

TANZANIA CUSTOMS, DEPARTMENTAL INSTRUCTION NO. 13 DEPARTMENTAL DOCUMENTATION [1983]

Part VI -- Destruction of Books and Documents

1. (a) The Departmental books and documents set out in Appendices V and VI are to be regarded as obsolete and must be destroyed after the expiration of the period indicated opposite each item.

2. Return of Books and Documents Due for Destruction

- (a) A return of books and documents due for destruction, is to be prepared in duplicate at each station at the end of every half year ending 30th June and 31st December. The return is to be submitted to the authorising officer in the Form F.9.
- (b) All documents and books in the return are to be properly described and the date when completed (in respect of books) or the year (in respect of documents) is to be clearly indicated opposite each item. Petty cash collection receipt books are never to be included in the half yearly returns required by this Instruction. They should be dealt with in accordance with Chapter 6 of the Departmental Financial Instructions.

3. Authorisation of Destruction

Chief Collectors, Principal Collectors and Collectors in charge of Collections, are the officers responsible for the authorisation of the destruction of obsolete books and documents in respect of their particular Collections and stations falling under their Collections.

- (a) Officers authorising destruction are personally responsible for seeing that only books and documents which are actually due for destruction in accordance with this Instruction are destroyed, and are to sign the original return and the duplicate return authorising destruction.
- (d) Except as provided for in paragraph 1(a) no voucher or document which has been subject to audit or which is filed in support of an account which has been audited, may be destroyed or removed from the files without the authority of the Principal Auditor or the officer acting for him.

4. Method of Destruction

Whenever possible ... [[what?]] are to be destroyed by burning in the presence of an officer not below the substantive rank of Examining Officer or Preventive Officer, Grade I. At outstations, books and documents authorised for destruction should be destroyed in the presence of an inspecting officer but authorising officers may, at their discretion, permit destruction under the sole supervision of the officer in charge. When destruction is complete, the supervising officer is to sign the certificate on the original return and the duplicate return and forward the original through the authorising officer to the State Commissioner or Chief Collector for filing at Regional Headquarters

5. Destruction of Unlisted Books and Documents

If an officer wishes to destroy any book or document not listed in the Appendices, he should seek the approval of the appropriate State Commissioner or Chief Collector.

RECORDS MANAGEMENT SYSTEMS ASSESSMENT: GOVERNMENT OF TANZANIA

Introduction

Since the 1990s the Government of Tanzania (GoT) has been progressively computerising various aspects of its financial management functions. The main computerised systems are:

- Platinum Government Financial System (GFS). This is operated by the Ministry of Finance and intended to cover all revenue and spending departments, including the sub-treasuries in the regions. The system is being piloted in 13 sites in ministries located in Dar es Salaam and in five regional sub-treasuries. Only some of the modules have been implemented.
- Lawson Integrated Payroll and Personnel System. The personnel part of the system is not fully operational. Currently data entry is centralised in the Civil Service Department.
- ASYCUDA Customs Management System. This is managed by the Tanzania Revenue Authority.

Despite these computerisation initiatives, large parts of the financial management system continue to be paper-based. This reflects infrastructure and power supply problems in the regions, but also a reluctance to abandon old working practices and a lack of confidence in the reliability and sustainability of the computerised systems. To some degree these concerns are justified with respect to the ability to access and retrieve electronic records over time.

Assessments were carried out in the Finance and Accounts Division of the Accountant-General's Department, Ministry of Finance; Morogoro Sub-Treasury; Ministry of Education and Culture; Ministry of Health; Ministry of Finance (as a line ministry); Ministry of Works and the Tanzania Revenue Authority, Customs and Excise. The results of the assessments follow.

Accountant General's Office

Five key functional areas were examined as part of the records survey of the Accountant General's Office: Exchequer Section, Revenue Section, Central Payments Office, Bank Reconciliation and the Sub-Treasuries Co-ordination Unit.

Overview of the Record Keeping Function

Much of the work being carried out by the Accountant General's staff is done using the Platinum GFS which assigns a unique number to each transaction. Therefore, it is relatively easy to track records through the computerised system (see Platinum assessment (Chapter Two, page 27 for further details).

Records are moved to a basement storage facility in the Ministry of Finance when filing cabinets become full in offices. There is no attempt to track files once they leave the office. As a result, minimally three years worth of records that must be kept available for five years cannot be accessed easily or efficiently. Over time this will destroy the links between the paper and computerised parts of the system.

Which records controls work well?

Registration/Classification	Adequate
Tracking.....	Inadequate
Access/Retrieval.....	Adequate
Maintaining an Audit Trail.....	Adequate
Scheduling/Retention	Inadequate
Transfer	Poor
Destruction	Poor

Records Management Rating INADEQUATE

The retrieval of current records is facilitated by the GFS. In the Exchequer and Revenue sections, the source documents that are being processed and input into the GFS are stored in desk drawers and returned to filing cabinets when work on them is complete. Files are kept according to Ministry, but the drawers are not labelled. The filing cabinets are locked and only staff from that section have access to the keys.

Voucher Lists kept by the Central Payments Office (CPO) are filed neatly and in order according to account number and Ministry. Accountable documents, such as blank cheques are stored in a strong room. However, one issue for concern is that the box of blank cheques currently in use is kept under a table in the CPO. All blank accountable documents, particularly blank cheques, must be kept securely at all times.

The failure to reconcile accounts has created retrieval problems because office space is congested. Prior to reconciliation, cheques are batched with statements and labelled according to cheque numbers and financial year. However, there is no systematic method of storing these bundles in the office. This is a serious problem for those accounts that have not been reconciled as retrieval is time-consuming. No cheques are being transferred to appropriate records storage facilities. As the bank reconciliation system is currently unable to provide automatic reconciliation, the reconciliation of large accounts is not being carried out. Smaller accounts are being reconciled using Microsoft Excel. There is no systematic programme for maintaining reliable back-ups of the Excel spreadsheets.

Records older than two years are very difficult to locate and retrieve from storage. Records for the current year can be audited. However, owing to the retrieval problems, it would be difficult to reference audit queries relating to older records.

Staff are aware of the requirement to keep records for five years. They also know that they have permission to destroy records older than five years as long as they have been audited. However, destruction procedures are not implemented. Records of transfer are not maintained nor are procedures systematic. According to staff questioned, no records sent to the basement storage facility have been destroyed.

SUMMARY OF ISSUES

- There is no systematic method of tracking records transferred to storage areas.
- Records are not being destroyed in accordance with Financial Orders
- Blank cheques are not stored securely.
- Failure to carry out bank reconciliation is causing congestion in office space.

Morogoro Sub-Treasury

The Sub-Treasury was established at Morogoro in 1997. In the accounting section there is a small staff comprising 12 accountants and five support staff. As the Sub-Treasury is so new, there is only a small volume of records, facilitating good record keeping practice. The accounting sections comprised Pre-Audit, Cash Office, Computer Room and Bank Reconciliation.

Although Morogoro is supposed to be linked to the Platinum GFS, the modem link to the central servers is not currently operational, nor has it been since installation; one of the two PCs does not work. Although payment voucher details are entered into the Platinum GFS in the Computer Room and back-ups are made, the information cannot be transmitted to the Accountant General's Office in Dar es Salaam. Again, parallel manual systems are being maintained, resulting in the duplication of effort despite the fact that reports from the computerised system would provide much of the information maintained manually. This is partly a result of hardware problems, and partly due to the lack of confidence in the system because of irregular electricity supplies.

Overview of the Record Keeping Function

Payment vouchers are registered and batched according to the *Financial Orders*. The link between the computer record and the paper source documents is good because the unique computer-generated number is written on the source documents, and the number allocated during batching is input into the Platinum GFS in the invoice number field. In addition, registers for different processes of the cash office are labelled by financial year and serially numbered.

The movement of payment vouchers during processing is tracked carefully and registers are maintained in each applicable section. The Pre-Audit section, in addition to verifying accuracy of payment vouchers, also maintains a manual vote book.

There are no formal procedures for restricting access to records. However, there is a small staff so relationships are understood resulting in ad hoc restrictions. In addition, once processed and batched, payment vouchers are transferred to a locked storeroom. The key is kept in the custody of a designated individual with responsibility for maintaining the storeroom.

The batches of payment vouchers are clearly labelled and kept neatly on shelves in the storeroom, and arranged in order by financial year and batch. At present there is adequate storage space. However, given that Financial Orders require financial records to be kept for five years, the storeroom is likely to become congested.

Records for the current financial year could be audited. The small volume of paper and the good physical arrangement facilitates audit.

Staff are aware of the provision in the *Financial Orders* for the destruction of accounting records after five years providing that audit has taken place. They are clear of the procedure to follow although this is not written down. Staff described the necessity to obtain written permission from the Treasury and then destroy records by burning. Burning must be witnessed by the Stock Verifier.

As the Sub-Treasury was only established in 1997, no records have yet been destroyed so it cannot be ascertained whether this procedure will actually be applied.

Which records controls work well?	
Registration/Classification	Adequate
Tracking.....	Adequate
Access/Retrieval.....	Good
Maintaining an Audit Trail.....	Adequate
Scheduling/Retention	Poor
Transfer	Poor
Destruction	Poor
Records Management Rating INADEQUATE	

SUMMARY OF KEY ISSUES
<ul style="list-style-type: none"> • Duplication of effort through the maintenance of parallel manual and computerised systems. • Lack of space over time which may result in the breakdown of retrieval procedures.

Ministry of Education and Culture

An assessment was carried out of the Finance and Accounts Division of the Ministry. The sections examined comprised the Cash Office, Pre-Audit, Salaries Section, Revenue Section, Final Accounts and the Computer Section. An analysis of the section of the *Controller and Auditor General's Report for 1997/98*, covering the Ministry of Education and Culture, is provided at the end of this assessment.

Overview of the Record Keeping Function

The only system of registration is facilitated by the GFS which assigns a computer generated voucher number to payment vouchers. This is written on the paper documents and vouchers are subsequently batched by this number.

The Revenue Section keeps a movement book to track revenue returns from up-country stations and a receipts book to log particulars of the person who delivered the records, information about the records delivered, and the date of delivery. Pre-Audit also keeps a register of payment vouchers that pass through the office. Aside from registers kept by the Open Registry, these were found to be the only registers kept that track the movement of records in the offices.

Older records have been moved to a storeroom in the basement of the main Ministry Building.

There are no records to indicate which documents have been transferred to store. Records that are transferred are not registered and their movement and storage is not tracked to facilitate retrieval. Access to records in the office is not restricted to authorised personnel.

There is no system of arrangement for records kept in the Cash Office. Registers and other documents are deposited in disarray in drawers or on shelves. Retrieval can only be achieved by memory.

Although payment vouchers are batched consistently, there is no system of arrangement to facilitate retrieval. Batches of vouchers dating back to FY 94/95 are stored randomly on shelves in Final Accounts. Older vouchers have been transferred to basement storage.

The Salaries Section holds a large volume of records, some of which date back to 1985. There is no system of arrangement on the shelves, with the exception of an attempt to separate control sheets by department. The accountant in charge of the section admits that it is difficult to retrieve records in an efficient and timely manner.

On the whole, records for the current financial year could be audited. However, failure to store current records in a logical and order manner will inhibit timely and efficient audit.

All of the financial records kept in offices are subject to *Financial Orders 1.11.1-3* which state that records should be kept for five years providing they have been audited. Staff are aware of this requirement and records in one of the basement storerooms had been destroyed after permission to destroy was granted by the Treasury.

There are no procedures to govern when records should be transferred. Instead, records are transferred when storage areas become full. However, there is a register to control the disbursement of counterfoils.

Which records controls work well?

Registration/Classification	Adequate
Tracking	Inadequate
Access/Retrieval.....	Adequate
Maintaining an Audit Trail.....	Adequate
Scheduling/Retention	Inadequate
Transfer	Poor
Destruction	Inadequate

Records Management Rating INADEQUATE

All of the documents contained in one basement storeroom had been destroyed the previous year. This was the only example of records being destroyed in all of the ministries and agencies examined. However access was not given to another storeroom in which it was said that vouchers were kept. No register of records destroyed was available. Although permission to destroy had been sought from the Treasury, the permission of the Director of the National Archives had not been obtained.

Despite the recent destruction of one storeroom full of records, a major problem is still seen to be non-compliance with *Financial Orders* regarding destruction.

SUMMARY OF ISSUES

- Most of the financial functions are carried out manually, yet the only system of registration is operated by the GFS.
- There is no systematic method of tracking records kept in offices or transferred to basement storage.
- Despite the large volume of records kept, there is no consistently applied system of arrangement to facilitate timely access and retrieval of records.
- Office storage areas are congested.
- The failure to store current records in a logical and controlled manner will inhibit timely and efficient audit.

Ministry of Health

An assessment was carried out of the Finance and Accounts Division of the Ministry. The sections examined comprised the Cash Office, Pre-audit, Salaries Section, Final Accounts and Computer Section. An analysis of the section of the *Controller and Auditor General's Report for 1997/98*, covering the Ministry of Health, is provided at the end of this assessment.

Overview of the Record Keeping Function

The only system of registration is facilitated by the GFS, which records the serialised payment voucher number written on the paper voucher in the invoice field in the computer. Likewise, the computer generated voucher number is recorded on the paper voucher.

There is no systematic method of tracking records. In some cases, such as in the Pre-Audit Section, there are registers of the payment vouchers received and passed. However, it is not possible to know definitively where a record is in terms of its processing and where to find it in storage.

Broadly, staff can locate current documents. However, none of the sections reviewed employs a system of arrangement to facilitate access and retrieval of records. Payment vouchers are batched consistently according to voucher number and month and are then stored in the Cash Office. Other records, such as registers, cheques and cashbooks are kept in disarray on shelves and in drawers in offices. The Salary Section maintains large volumes of records some of which date back to 1984 (eg salary control books). Control books are kept neatly on shelves in the office that are marked according to fiscal year. However, there is no further degree of arrangement. The Final Accounts Section maintains a transit storage area for older records and those that are older than five years are moved to a large metal container located outside at the back of the Ministry. Failure to store current records in a logical and controlled manner inhibits the ability for staff to retrieve records in a timely and efficient manner.

On the whole, records for the current financial year could be audited. However, it may be difficult to audit in an efficient manner because there is no controlled system of arrangement for records.

Which records controls work well?	
Registration/Classification	Adequate
Tracking.....	Inadequate
Access/Retrieval	Adequate
Maintaining an Audit Trail.....	Adequate
Scheduling/Retention	Poor
Transfer	Inadequate
Destruction	Poor
Records Management Rating	
INADEQUATE	

All of the financial records kept in offices are subject to *Financial Orders 1.11.1/2/3* which states that records should be kept for five years. The staff are aware of this requirement and know that they can seek permission to destroy records older than five years as long as they have been audited. However, no evidence was found of older records being destroyed and no staff member could recall when any had been.

Records are transferred to transit storage areas or to the outside container only when filing cabinets and office storage areas become full. There are no procedures to indicate when files should be closed and transferred and where they should be transferred. In addition, there is no attempt to track files once they leave the office. Despite provisions in the *Financial Orders*, a major problem is still seen to be non-compliance regarding destruction. As a result, it is difficult to retrieve records from previous fiscal years in a timely and efficient manner and office space is wasted because of the failure to destroy records.

SUMMARY OF ISSUES
<ul style="list-style-type: none"> • Most of the financial functions are carried out manually, yet the only system of registration is operated by the GFS. • There is no systematic method of tracking records kept in offices or transferred to storage areas. • Despite the large volume of records kept, there is no consistently applied system of arrangement to facilitate timely access and retrieval of records. • The failure to store current records in a logical and controlled manner will inhibit timely and efficient audit • Staff are not adhering to Financial Orders which require that records are kept for five years, after which time they can seek permission to destroy those records that have been audited and that no longer retain administrative or operational value.

Ministry of Finance

The assessment carried out in the Finance and Accounts Division of the Ministry examined the internal administration regarding expenditure on Vote 50, the Ministry of Finance vote code. A separate assessment was conducted in the Accountant-General's Office.

The sections examined comprised the Cash Office, Pre-Audit, Salaries Section, Final Accounts and the Computer Section.

An analysis of the section of the *Controller and Auditor General's Report for 1997/98*, covering the Ministry of Finance, is provided at the end of this assessment.

Overview of the Record Keeping Function

The only system of registration is facilitated by the GFS, which records the serial payment voucher number written on the payment voucher in the invoice field in the computer system. Likewise, the computer generated voucher number is recorded on the paper voucher.

There is no systematic method of tracking records. Payment vouchers were registered as they moved between sections during processing. However, it is not possible to determine where to find them in storage.

Broadly, staff are able to locate current documents. However, an inspection of filing cabinets in the

Which records controls work well?

Registration/Classification	Adequate
Tracking.....	Inadequate
Access/Retrieval	Inadequate
Maintaining an Audit Trail.....	Adequate
Scheduling/Retention	Poor
Transfer	Poor
Destruction	Poor

Records Management Rating **INADEQUATE**

Cash Office demonstrated that current records are kept in disarray and are difficult to retrieve for day to day administration as well as for audit. None of the sections reviewed employs a system of arrangement to facilitate access and retrieval of records.

There are no formal procedures restricting access to records in offices to authorised personnel. Access controls are ad hoc, based on recognition of individuals.



Obsolete Customs & Excise records occupying office space in the Ministry of Finance

On the whole, records for the current financial year could be audited. However, failure to store current records in a logical and orderly manner will inhibit timely and efficient audit.

All of the financial records kept in offices are subject to *Financial Orders 1.11.1 - 3* which state that records should be kept for five years. This was not well understood by staff. Officials questioned cited ten years as the statutory period for which financial records must be kept.

Older records are transferred to a storeroom in the basement of the main Ministry building. There are no records to indicate which documents have been transferred to the store and which are in offices. There are no procedures to govern when records should be transferred; it is an informal process dependent upon the availability of space in filing cabinets and shelving.

A major problem was seen to be non-compliance with *Financial Orders* regarding destruction. This has led to severe congestion in storage areas.

SUMMARY OF ISSUES

- There is no systematic method of tracking records kept in offices or transferred to storage areas.
- Despite the large volume of records kept, there is no consistently applied system of arrangement to facilitate timely access and retrieval of records.
- The failure to store current records in a logical and controlled manner will inhibit timely and efficient audit.
- Records are not being destroyed after five years causing congestion in storage areas.

Ministry of Works

The assessment of the Finance and Accounts Division of the Ministry of Works examined the Cash Office, Pre-Audit, Vote Book, Up-Country, Salaries, and the Financial Control Sections.

Parallel manual and computer systems were being maintained within the Ministry. The Ministry of Works is connected to the Platinum GFS. However, problems with the radio link to the Accountant General's Office were reported. A manual vote book was being maintained. At the end of the year, this manual register is reconciled with the computer printout. This is a needless duplication of roles.

An analysis of the section of the *Controller and Auditor General's Report for 1997/98*, covering the Ministry of Works, is provided at the end of this assessment.

Overview of the Record Keeping Function

The only system of registration is facilitated by the GFS, which records the serial payment voucher number written on the payment voucher in the invoice field in the computer. Likewise, the computer generated voucher number is recorded on the paper voucher.

Payment vouchers, after processing and batching, are sent to offsite storage. An individual in the Financial Control Section has been designated to retrieve vouchers from storage when necessary. According to the Director of Administration and Personnel, payment vouchers taken from the store must be signed for. As time did not allow us to inspect the storage facility, we were unable to verify whether this control is operating effectively.

Records kept in offices are disordered and retrieval is time-consuming. Accommodation is overcrowded and records storage facilities very limited; shelving is both insufficient and inadequate, and there are no filing cabinets. This means that records are piled haphazardly on desks and on the floor. This is a key problem in the Salaries Section where salary control books are stacked in piles around the office, leaving them vulnerable to unauthorised removal and damage.

On the whole, records for the current financial year could be audited. However, failure to store current records in a logical and orderly manner will inhibit timely and efficient audit.

All of the financial records kept in offices are subject to *Financial Orders 1.11.1 - 3* which state that records should be kept for five years. This provision is not being applied.

Although records have been transferred to offsite storage, there are no procedures for destroying these. Over time, the system will become increasingly congested because records are not being destroyed.

Which records controls work well?

Registration/Classification	Adequate
Tracking.....	Inadequate
Access/Retrieval	Inadequate
Maintaining an Audit Trail.....	Inadequate
Scheduling/Retention	Poor
Transfer	Inadequate
Destruction	Poor

Records Management Rating **INADEQUATE**

SUMMARY OF ISSUES

- There is no systematic method for tracking records kept in offices or transferred to storage areas.
- Despite the large volume of records kept, there is no consistently applied system of arrangement to facilitate timely access and retrieval of records.
- The failure to store current records in a logical and controlled manner will inhibit timely and efficient audit.
- Office space and facilities are inadequate for storing records securely.
- Records are not destroyed after five years causing congestion in offices.

Tanzania Revenue Authority: Customs and Excise

An assessment was carried out of the Tanzania Revenue Authority: Customs and Excise Department. The sections examined comprised the Receipt Section, Verification Section, Correction Desk, Amendments Desk, Valuation Desk, Exemption Desk, Cashier, Accounts Desk and Central Distribution Office.

Overview of the Record Keeping Function

Customs and Excise serve as an example of good practice for the registration of transaction records. A computer-generated number is issued by the ASYCUDA system at the time a Single Bill of Entry is entered into the system in the Receipt Section. This number is used to track the transaction through the system. The production of an Assessment Notice at the Verification Section then creates a Customs document number, which is used for batching, filing and retrieval.

There is a systematic method of tracking records. The ASYCUDA generated number serves as the means of tracking the computerised records and the Customs document number enables paper records to be tracked. The ASYCUDA number is recorded on the paper documents thus providing a link between the paper and computerised parts of the system.

The Customs and Excise Department is in the process of moving to a new location. As a result it is difficult to assess the ability to retrieve documents efficiently. However, there is good potential for this because the new facilities are very good and provide generous storage areas and shelving.

Documents are batched by the Customs document number and by month and then processed accordingly. However, there are few controls on how records are packed and then moved to the new facility. Because this is not being done in a systematic way, it is likely that records will be difficult to retrieve until boxes are unpacked and/or batched documents are sorted and stored in a logical order. This will take a great deal of time and effort. In the interim it will be very difficult to locate specific batches as required.

On the whole, records for the current financial year could be audited. However, it may be difficult to audit in an efficient manner because of records being in disarray from the move.

Which records controls work well?

Registration/Classification	Adequate
Tracking.....	Adequate
Access/Retrieval.....	Inadequate
Maintaining an Audit Trail.....	Adequate
Scheduling/Retention	Inadequate
Transfer	Poor
Destruction	Poor

Records Management Rating INADEQUATE

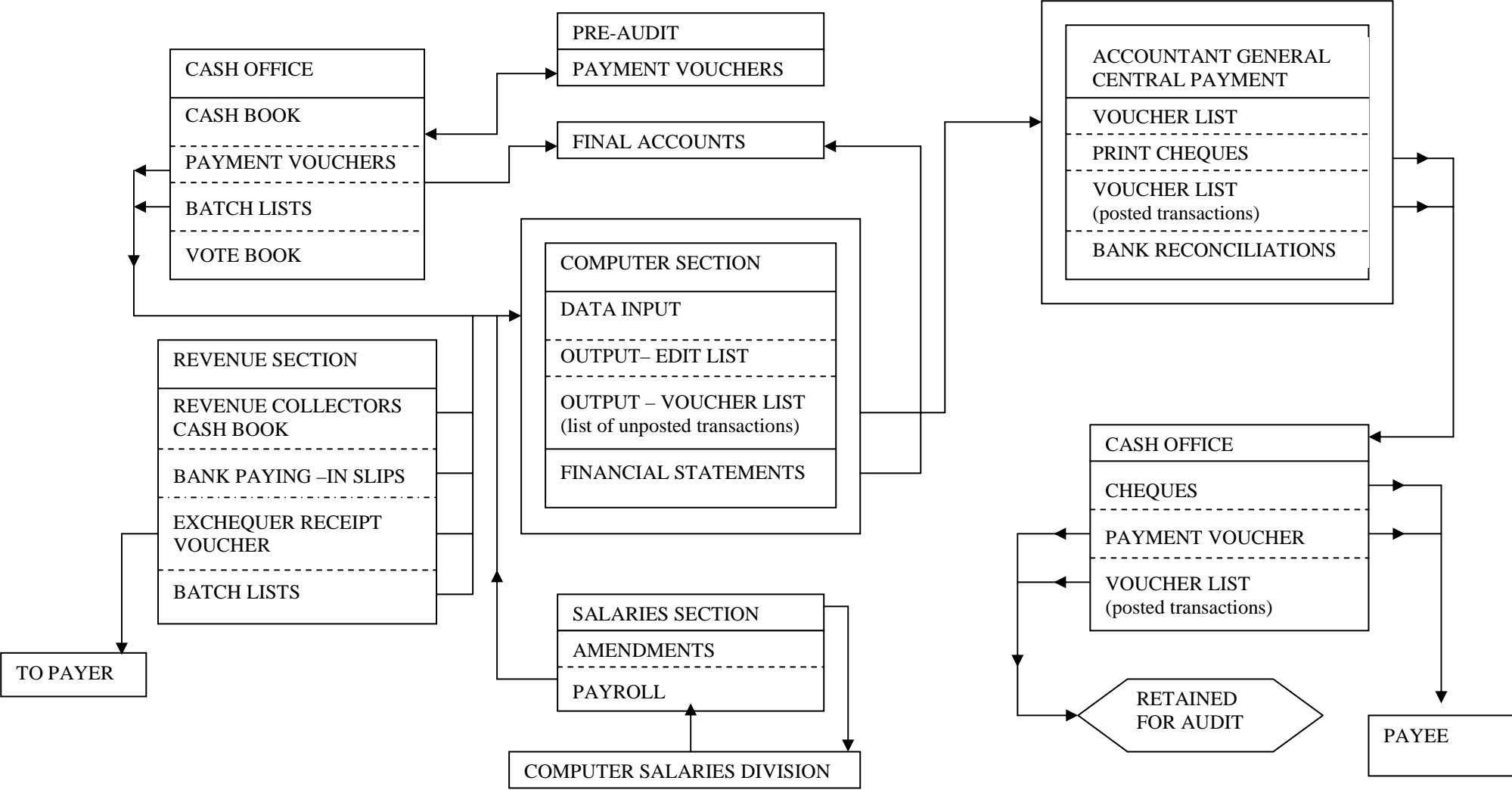
The Customs and Excise Department demonstrates good scheduling practice. *Departmental Instructions* provide guidance on the length of time records should be kept. The retention period varies between two and ten years or no destruction depending upon the type of transaction the document records. However, the instructions are out of date and require revising to take account of the introduction of the ASYCUDA system and forms not included in the current list.

The transfer of records to on-site storage is haphazard. Moreover, the provision of an on-site non-current records storage facility does not allow an efficient use of space because closed files can be transferred to the National Archives. The *Departmental Instructions* convey specific guidance on the destruction of records. However, the instructions are not being applied because nothing is being destroyed.

SUMMARY OF ISSUES

- Records are not being destroyed in accordance with Departmental Instructions
- Records schedules are out of date

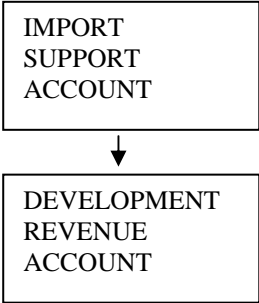
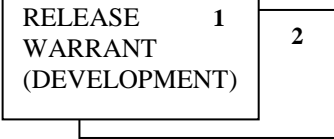
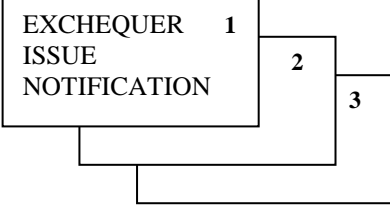
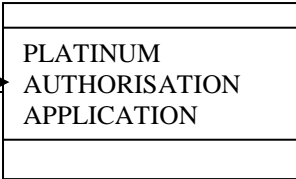

OVERVIEW OF FINANCIAL RECORDS



GFS Control of Expenditure (Recurrent) Accountant General

PROCEDURES	RECORDS	CONTENT	DISPOSAL
<p><u>NATIONAL ASSEMBLY</u> approves estimates</p>	<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: auto;">BUDGET BOOK</div>	<p>Supply Votes 1 July to 30 June</p>	<p>Office copies retained for reference</p>
<p><u>COMMISSIONER OF BUDGET</u> AUTHORISES RELEASE OF FUNDS</p>		<p>List of allocation of funds to each Ministry</p> <p>Used for additional / urgent allocations</p>	<p>1 Acc Gen 2 Budget Registry</p>
<p><u>ACC GEN (EXCHEQUERS)</u> Instructs Central Bank to transfer funds</p>		<p>List of Credits for each Ministry</p>	<p>1 Central Bank 2 Acc Gen (Exchequer) filed by financial year. 3 Ministry (Cash Office)</p>
<p><u>CENTRAL BANK</u> Transfers funds, (stamps copy 2) From Exchequer A/C to Central Payment Office A/C</p>	<p><u>Acc Gen (Exchequer)</u> Informs Ministry and enters into Platinum</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;">PLATINUM AUTHORISATION APPLICATION</div>	<p><u>MINISTRY ACCOUNTS SECTION</u> Enters into Platinum</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;">PLATINUM AUTHORISATION APPLICATION</div>	<p>CONTROL</p> <p>Warrant of Funds cannot exceed Exchequer issues</p>

GFS Control of Expenditure (Development Funds) – Accountant General

PROCEDURES	RECORDS	CONTENT	DISPOSAL
Acc Gen (revenue) maintains donor financial accounts		Amounts donated credited to “import” a/c	Revenue Section 1 reconcile accounts 2 retain statements from both (central bank) 3 report amounts received each month
Budget section issue release warrant to revenue section		Amount released against vote, sub-vote	1 Beneficiary/Ministry 2 Revenue Section
Beneficiary requests payment. Acc sec checks amount deposited, then authorises issue		Lists amounts to be assigned to projects	1 Central Bank 2 Acc Gen (exchequer) 3 Beneficiary/Ministry Note: the Treasury (external financing department) administer the development funds.
Central Bank Transfer funds	Acc Gen (Exchequer) informs beneficiary and enters into Platinum 	Ministry 	Control Release warrant against exchequer issue notification

GFS Control of Expenditure (Ministry)

PROCEDURES	RECORDS	CONTENT	DISPOSAL
<u>ACC GEN</u> issues Warrant Books	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">WARRANT BOOK</div>	Warrants sequentially numbered	Chief Accountant retains unused Books
<u>DEPARTMENTS</u> request Funds each month	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">WRITTEN NOTE</div>	Funds required for the month	Retained on file
<u>MINISTRY</u> A.O, Chief Accountant and DAP decide on amounts for each Department		Amount authorised, numbered by financial year, Vote, Sub-Vote and item	1 To Head of Department 2 To computer room 3 Retained in Warrant Book (filed in numerical order)
<u>DEPARTMENT</u> Enters in Vote Book	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">VOTE BOOK</div>	Warrants Issued, Commitments and Expenditure	Retained in Department's Accounts Section
<u>MINISTRY</u> Enters Warrant in Platinum	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">PLATINUM AUTHORISATION APPLICATION</div>		CONTROL Expenditure cannot exceed value of Warrants issued.

GFS Procurement Procedure (Ministry)

PROCEDURES	RECORDS	CONTENT	DISPOSAL
<u>Authorisation</u> by Head of Dept	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">WRITTEN REQUEST ON FILE</div>	Service or goods required	File in Registry Open or Confidential
<u>PROCUREMENT</u> Purchase by tender, supply from stock	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">REQUEST FOR LOCAL PURCHASE ORDER</div>	Details of requiremennt, supplier, quantity and price	Attached to LPO Vouchers 2 and 3
	<div style="border: 1px dashed black; padding: 5px; width: fit-content; margin: 0 auto;"> <i>Authorised by Head of Dept</i> Countersigned by Stores Officer and examiner (pre-audit) </div>		
<u>COMPUTER INPUT</u> LPO checked by computer operator before proper for proper authorisation	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">PLATINUM COMMITMENT CONTROL</div> </div>		
	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;"> LOCAL 1 PURCHASE ORDER </div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto; margin-left: 20px;">2</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto; margin-left: 20px;">3</div> </div>	Signed by computer operator and stpore officer, coutner signed by Chief Accountant	1 To Supplier 2 Retained in Accounts awaiting invoice 3 Copy retained in accounts

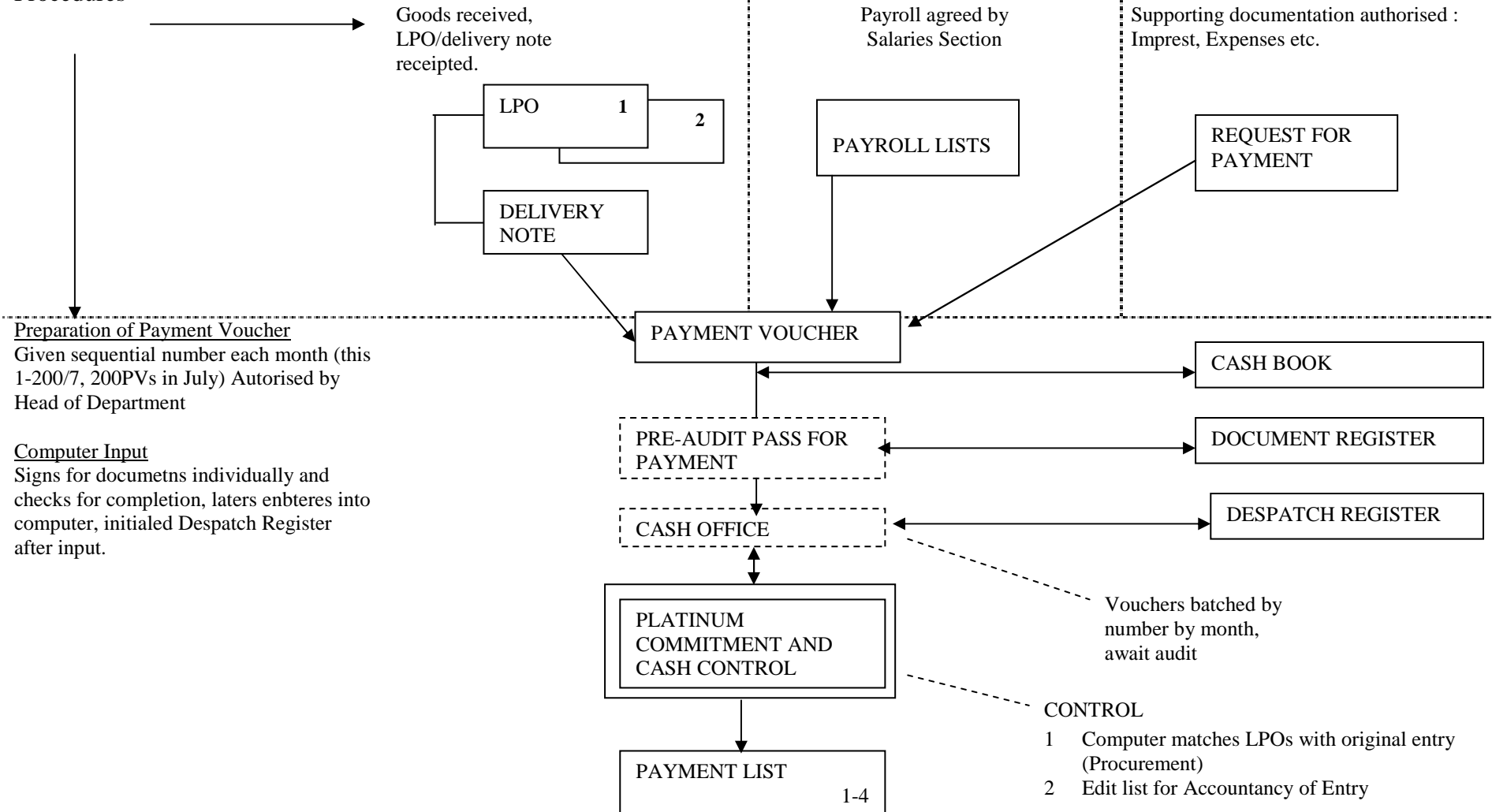
GFS Payment Procedures (Ministry)

PAYMENT FOR GOODS SERVICES

SALARIES

OTHER CHARGES

Procedures



RECORDS CONTROL REQUIREMENTS: PAPER SYSTEMS

Records control requirements for paper-based systems are required to ensure that accounting systems manage records regardless of storage media or other characteristics. In a paper system, physical arrangement and location of the records and procedures are key. In a computerised system, the application functions and logical structures are key and location is unimportant.

Registration

A unique record identifier must be assigned to each accounting record regardless of where the record is stored (eg purchase order number, voucher number, payroll number and so on). In a computerised system the primary key used for retrieval purposes should coincide with the one used for paper source documents.

The record keeping system must ensure that a record is registered when it is captured into the system.

The record keeping system must ensure that the forms on which transactions are recorded are identified by a serial number and counterfoil.

The record keeping system must ensure that supporting documents are either attached or linked to the relevant accounting record.

Classification: The accounting system must classify transaction records according to consistent inflow and outflow categories established to meet the organisation's analytical requirements (eg according to a chart of accounts, nominal ledger structure, budget classification structure, etc). Classification should occur at the time of registration.

The record keeping system must ensure that records are named and/or coded in a consistent manner over time.

The record keeping system must assist in the retrieval of all records relating to a particular function or activity.

Control Objective

To facilitate timely and efficient access and retrieval of records for operational and audit purposes. Assigning the appropriate classification at the time of registration facilitates systematic identification and arrangement of accounting activities and/or records into categories according to logically structured and consistent conventions, methods and procedural rules represented in a classification scheme. Enforcing this control on the registration of transaction records provides evidence that a record was created. The classification of records at the time of registration makes it possible to track expenditure over time.

Tracking

The record keeping system must be able to capture and maintain information about the movement and use of records (ie provide an audit trail) in order to know the location and custody of a record at all times. Any amendments or alterations to the record or the removal of the record from the file must indicate who took this action and when, to determine whether it was authorised.

The record keeping system must track the issue, transfer between persons, and return of records to their 'home' location or storage as well as their disposal or transfer to any other authorised external organisation including an archives authority.

The record keeping system must ensure that tracking mechanisms record the item identifier, the title, the person or unit having possession of the item and the time/date of movement.

Control Objective

To demonstrate that a record can be located easily and that it is what it purports to be; that it has been created, altered or destroyed by the person who purports to have created, altered or destroyed it according to a recognised authority. Enforcing this control ensures that the record can be found easily, thus minimising the risk of lost records and unauthorised amendments, and that no unauthorised actions have been taken on it.

Access/Retrieval

The record keeping system must be capable of finding and retrieving specific records from storage. Procedures must include and enforce controls over access to ensure that the integrity of the record of the transaction is not compromised.

The record keeping system must regulate, through the use of formal guidelines, who is permitted access to records and in what circumstances.

The record keeping system must ensure that appropriate access controls are assigned to both users and records.

The record keeping system must ensure that amendments to access criteria are made by authorised individuals and that these are communicated to records management staff.

The record keeping system must protect against unauthorised viewing or destruction of the record.

The record keeping system must maintain finding aids (eg registers, file lists) to enable records to be located and retrieved when needed.

The record keeping system must ensure that documents are physically arranged in a logical order to facilitate retrieval.

Control Objective

To provide timely and efficient access and retrieval of records needed for the continuing conduct of business, audit and to prevent unauthorised access and use. Enforcing this control demonstrates that records were effectively protected from unauthorised viewing, alteration or destruction.

Maintaining an Audit Trail

The record keeping system must be able trace records in order to provide sufficient and reliable evidence that only valid transactions have been processed. The audit trail should ensure that all transactions can be followed through the accounting system, from originating documents to the financial statements and vice versa.

The record keeping system must permit the auditor to trace transactions between the creation of the originating document, manual transaction registers, journals and ledgers, in both directions, and through successive levels of summarisation.

The record keeping system must ensure that all relevant data and financial audit trail information is retained for a sufficient time to complete the audit.

Control Objective

To provide a continuous trail of transactions through the accounting system. Enforcing this control ensures that transactions can be traced from creation, through processing, to the final statements. Without an audit trail the auditor may not have sufficient appropriate audit evidence on which to base the audit opinion.

Scheduling/Retention

The record keeping procedures must ensure that records required for operational and audit purposes are kept and remain accessible. The record keeping system must only allow for authorised individuals to transfer or destroy records according to authorised disposal instructions.

The record keeping system must ensure that records are scheduled according to event driven disposal instructions where the retention periods are triggered by the number of years following audit and in compliance with legal and fiscal requirements. Disposal instructions must cover all financial records.

The record keeping system must ensure that disposal schedules identify data/records with event driven disposal instructions and provide authorised individuals with the capability to indicate when the specified event has occurred.

The record keeping system must allow for the rescheduling of records and the issue of new authorised disposal instructions where the accounting system or the regulatory requirements have changed from the original designations.

The record keeping system must allow only authorised individuals to extend or suspend (freeze) the retention period of individual files or record categories, which are required beyond their scheduled disposal because of special circumstances (such as a court order or an investigation) that alter the normal administrative, legal or fiscal value of the records or categories.

The record keeping system must be able to identify those records (regardless of location) that have not been scheduled so that a disposal instruction can be assigned.

Control Objective

To ensure those records, which are required for operational and business purposes, are retained and that records that are no longer required are eliminated (ie destroyed or transferred to an archive facility) according to authorised instructions. Enforcing this control demonstrates compliance with the legal and regulatory environment applicable to the management of financial records, ensuring that records support financial management and audit objectives.

Transfer

Procedures must allow for the transfer of transaction records from one location to another and change the custody and responsibility accordingly. This could be

- **transfer to an appropriate storage area under organisational control**
- **transfer to a storage area managed on behalf of the organisation (ie a records centre or commercial company)**
- **transfer to an archives authority (ie the national records and archives institution).**

The record keeping system must identify records that are eligible for transfer according to the disposal instruction.

The record keeping system must allow the physical arrangement and methods of identification to be maintained following transfer to enable records to be accessed if required.

The record keeping system must restrict execution of written records transfer instructions to authorised individuals and according to authorised disposal schedules.

The record keeping system must record what records have been transferred and when.

Control Objective

To comply with instructions from the appropriate records authority to keep those records in the public interest. To achieve the most cost effective storage of records while maintaining their integrity and ability to access them. Enforcing this control demonstrates compliance with the legal and regulatory environment applicable to the management of financial records.

Destruction

The record keeping system must ensure that transaction records that are no longer required for operational and audit purposes and have no enduring value are removed or destroyed irretrievably according to authorised disposal instructions.

The record keeping system must identify records that are eligible for destruction according to the disposal instruction.

The record keeping system must not allow the destruction of records unless approved in writing by an authorised individual against an authorised disposal schedule.

The record keeping system must ensure that records are destroyed in a way that preserves the confidentiality of any information they contain.

The record keeping system must record what records have been destroyed and when.

The record keeping system must ensure that, for records approved for destruction, all copies, including security copies, preservation copies and back up copies, are destroyed.

Control Objective

To demonstrate that those records, which are no longer required for operational and audit purposes, are destroyed according to an agreed procedure. Enforcing this control demonstrates compliance with the legal and regulatory environment applicable to accounting records management and provides a mechanism to protect those records that should be preserved from unauthorised destruction or unauthorised access during the destruction process.

RECORDS CONTROL REQUIREMENTS: COMPUTERISED SYSTEMS

Records control requirements for computerised systems are required to ensure that accounting systems manage records regardless of storage media or other characteristics. Each control requirement is accompanied by a diagram.

Registration

The computerised financial management system must use a unique record identifier for each transaction record they manage regardless of where the record is stored (eg purchase order number, voucher number, payroll number and so on). This identifier should link the computerised transaction record to the source documents (ie paper files are stored according to the same unique number that can be used for searching on the computerised system).

The computerised financial management system must assign a unique identifier for each transaction record.

The computerised financial management system must not permit modification of the record identifier once assigned.

The computerised financial management system must not allow the records identifier to be duplicated.

The computerised financial management system must prevent subsequent changes to data that comprise a transaction record. Once changed or revised it becomes a new record and must be assigned a new unique record identifier.

Classification: The computerised financial management system must be able to classify transaction records according to consistent inflow and outflow categories established to meet the organisation's analytical requirements (eg according to a chart of accounts nominal ledger structure, budget classification structure, etc.). Classification should occur at the time of registration.

The computerised financial management system must ensure that transaction records are named and/or coded (ie classified) according to consistent inflow and outflow categories.

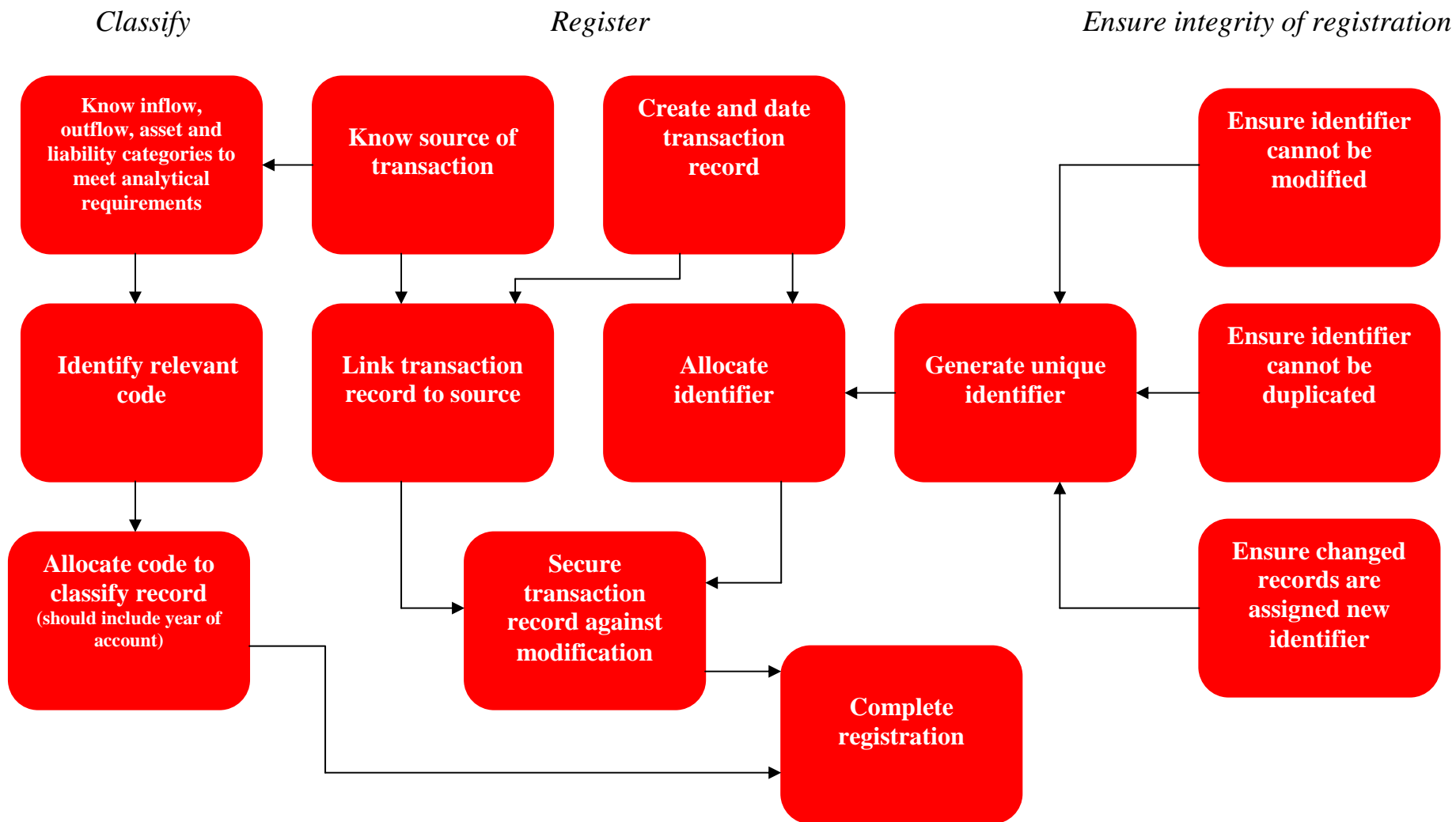
The computerised financial management system must assist in the retrieval of all transaction records relating to a particular function or activity.

Control Objective

To facilitate timely and efficient access and retrieval of transaction records for operational and audit purposes. Assigning the appropriate classification at the time of registration facilitates systematic identification and arrangement of accounting activities and/or transaction records into categories according to logically structured and consistent conventions, methods and procedural rules represented in a classification scheme. Enforcing this control on the registration of transaction records provides evidence that a record was created. The classification of records at the time of registration makes it possible to track expenditure over time.

Registration/Classification System

Registering transaction records by using a unique transaction record identifier for each transaction and by consistently classifying each record according to inflows, outflow and other categories established to meet analytical requirements in order to ensure incontrovertible evidence of record creation and timely and efficient access and retrieval of records.



Tracking

The computerised financial management system must be able to capture and maintain information about the movement (ie storage and distribution) and use of transaction records. Any amendments or alterations to the record or the deletion of the record must indicate who took this action and when, to determine whether it was authorised.

In the computerised financial management system the following information must be logged for each change to a transaction record (ie alteration or amendment): record identifier, user account identifier, date/time, authorising identifier (if different from user account identifier)

In the computerised financial management system the following information must be logged for each delete operation: record identifier, user account identifier, date/time, authorising identifier (if different from user account identifier)

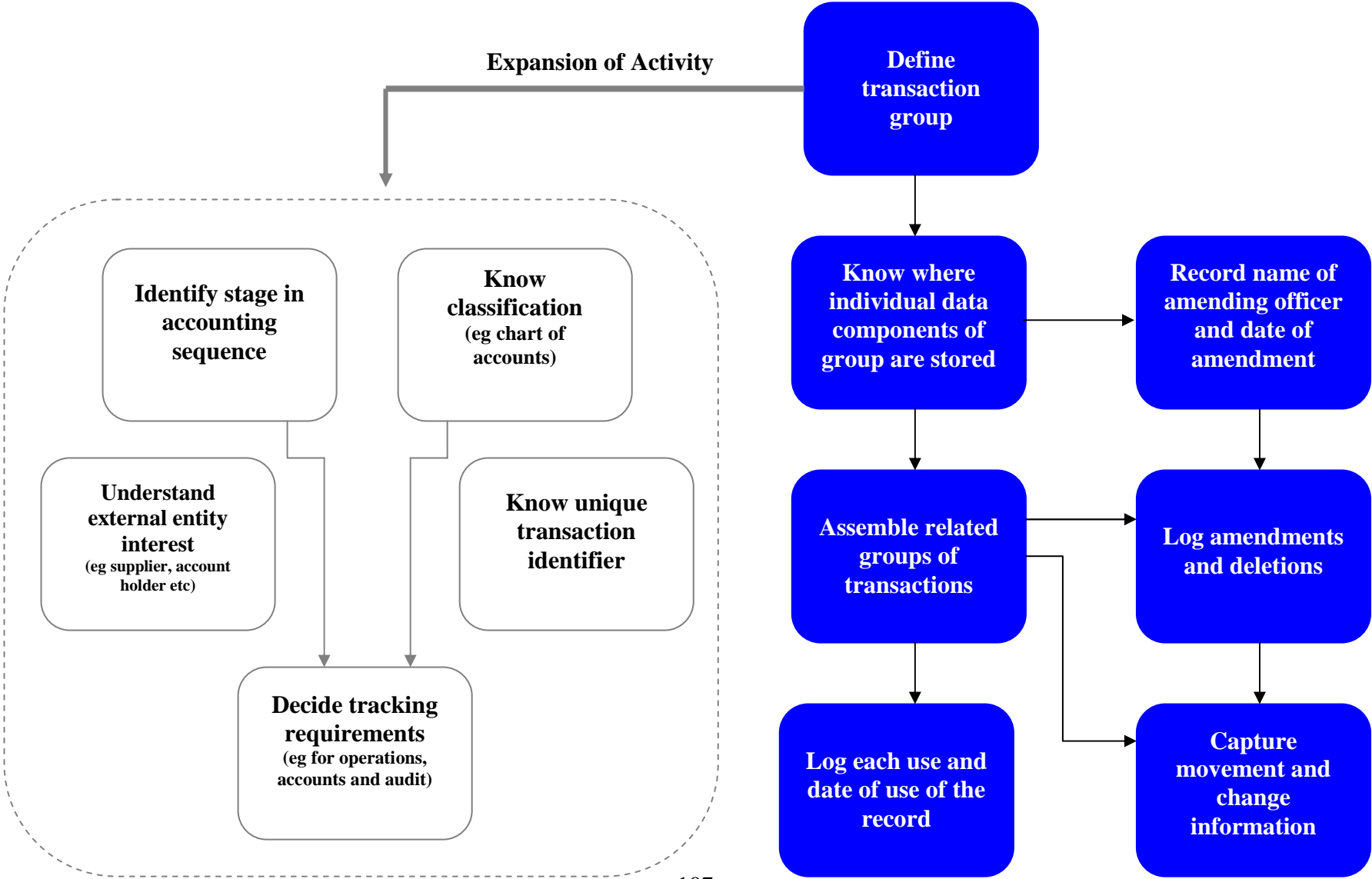
The computerised financial management system must be able to track transactions according to: common external entity (eg supplier, tax payer, etc), specific asset or liability, classification of account or stage in accounting sequence.

Control Objective

To demonstrate that a record can be located easily and that it is what it purports to be; that it has been created, altered or destroyed by the person who purports to have created, altered or destroyed it according to a recognised authority. Enforcing this control ensures that the record can be easily retrieved and that only authorised actions have been taken on it.

Tracking System

Capturing and logging information about the use, movement and amendment of records in order to provide an audit trail.



Access/Retrieval

The computerised financial management system must be capable of finding and retrieving specific transaction records from storage according to defined criteria (eg users, authorisation, search combinations, etc). The system must include and enforce controls over access to ensure that the integrity of the record of the transaction is not compromised.

The computerised financial management system must provide the capability to define different groups of users and access criteria.

The computerised financial management system must control access to records based on groups as well as individuals meeting the access criterion/criteria.

The computerised financial management system must provide the capability for only authorised individuals to assign and amend access rights to protect against unauthorised viewing, alteration or destruction of the transaction record.

The computerised financial management system must allow searches using any appropriate combination of the following profile data elements: date filed; supplier; identification number (eg purchase order number, employee ID number, supplier ID number and so on); location of record; document creation date; author or originator; originating ministry, department or agency; disposal instruction code; disposal cut-off date; disposal action date; disposal action code; vital record indicator; record identifier.

The computerised financial management system must control access to audit functions based upon user account information.

The computerised financial management system must determine the access appropriate for sets of records.

The computerised financial management system must allocate user permissions for access to or action on particular groups of records.

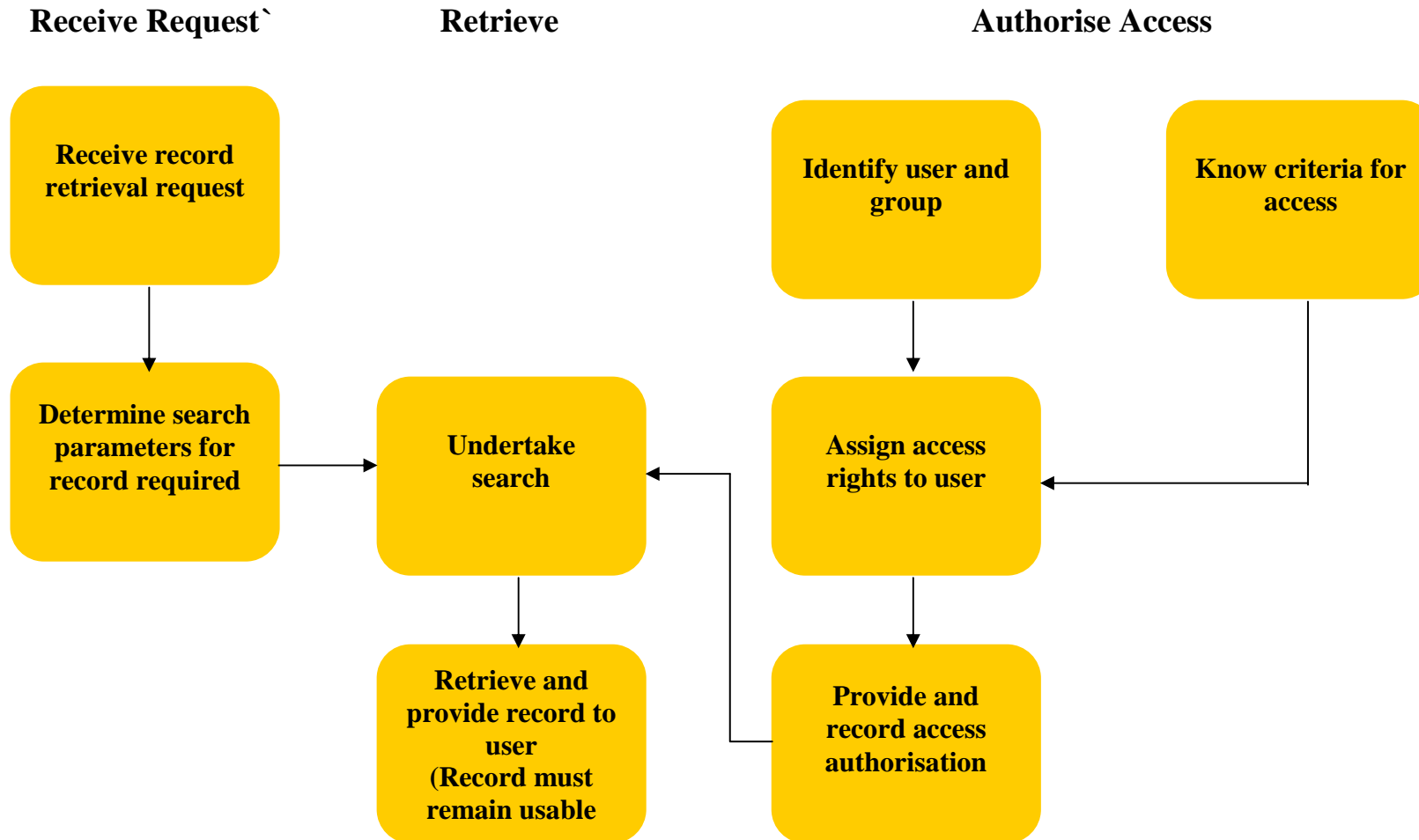
The computerised financial management system must provide the capability for transaction records to be usable throughout any kind of system change, including format conversion, migration between hardware and software platforms or specific software applications, for the entire period of their retention.

Control Objective

To provide timely and efficient access and retrieval of transaction records needed for the continuing conduct of business, audit and to prevent unauthorised access and use. Enforcing this control demonstrates that records were effectively protected from unauthorised viewing, alteration or destruction.

Access/Retrieval System

Retrieving records by accessing against defined criteria (users, authorisation, search combinations etc.) in order to provide timely and efficient access retrieval for operational and audit purposes.



Maintaining an Audit Trail

The computerised financial management system must be able to provide sufficient and reliable evidence that only valid transactions have been processed. The audit trail should ensure that any transactions can be followed through the accounting system, from originating documents to the financial statements and vice versa.

The computerised financial management system must permit the auditor to trace transactions between original input, system generated transactions and internal allocation transactions and the financial statement, in both directions, and through successive levels of summarisation.

The computerised financial management system must retain all relevant data and financial audit trail information for a sufficient time to complete the audit.

The computerised financial management system must preserve the hierarchical relationships in order to be able to trace the links between the transaction records and aggregated reports.

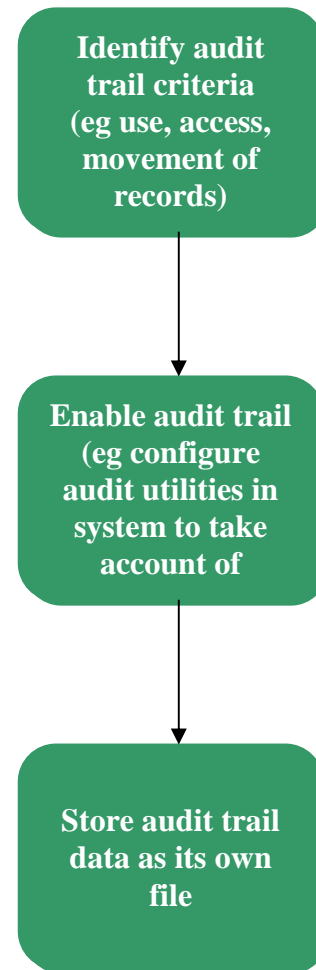
The computerised financial management system must provide the capability to store audit data as a record.

Control Objective

To provide a continuous trail of transactions through the computerised financial management system (ie maintain the information gathered through tracking). Enforcing this control ensures that transactions can be traced from creation, through processing, to the final statements. Without an audit trail the auditor may not have sufficient appropriate audit evidence on which to base the audit opinion.

Audit Trail System

Establishing the links between individual records, transactions and aggregated data in order to provide an audit trail.



Scheduling/Retention

The computerised financial management system must ensure that records required for operational and audit purposes are kept and remain accessible. The computerised financial management system must only allow for authorised individuals to assign a disposal instruction code according to authorised disposal instructions.

The computerised financial management system must, as a minimum, be capable of scheduling data/records according to event driven disposal instructions where the retention periods are triggered by the number of years following audit and in compliance with legal and fiscal requirements.

The computerised financial management system must provide the capability to identify data/records with event driven disposal instructions and provide authorised individuals with the capability to indicate when the specified event has occurred.

The computerised financial management system must allow for the rescheduling of records already in the system when disposal instructions change from the original designations.

The computerised financial management system must provide the capability for only authorised individuals to extend or suspend (freeze) the retention period of individual files or record categories, which are required beyond their scheduled disposal because of special circumstances (such as a court order or an investigation) that altered the normal administrative, legal or fiscal value of the records or categories

The computerised financial management system must identify data/records that have been frozen and provide authorised individuals with the capability to reactivate or change their assigned disposals.

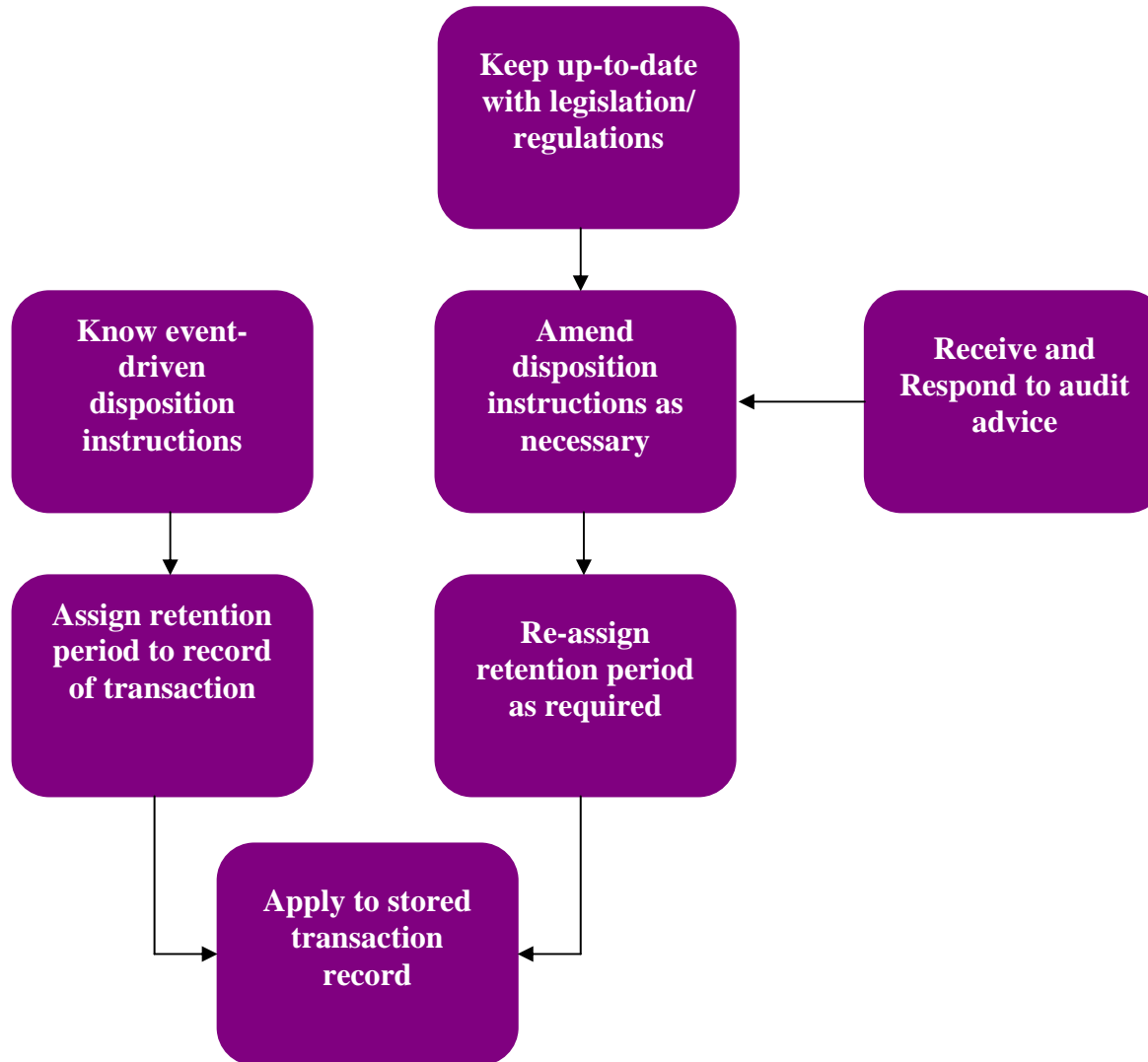
The computerised financial management system must be able to identify and print a list of records (regardless of media or location) that have not been scheduled so that a disposal instruction can be assigned.

Control Objective

To demonstrate that those records, which are required for operational and administrative purposes, are kept and that records that are no longer required are eliminated (ie destroyed or transferred to an archive facility) according to an agreed programme. Enforcing this control demonstrates compliance with the legal and regulatory environment applicable to the management of financial records, ensuring that records support financial management and audit objectives.

Scheduling/Retention System

Ensuring that records required for operational and audit purposes are kept and remain accessible.



Transfer

The computerised financial management system must be able to transfer transaction records from one location to another and change the custody, ownership and responsibility accordingly. This could be

- **transfer to an appropriate storage area under organisational control**
- **transfer to a storage area managed on behalf of the organisation (ie a records centre or commercial company)**
- **transfer to an archives authority (ie the national records and archives institution).**

When transferring electronic records, records should be copied where possible to archival quality tape.

The computerised financial management system must identify those transaction records eligible for transfer according to the disposal instruction.

The computerised financial management system must restrict execution of the records transfer commands to authorised individuals.

The computerised financial management system must transmit records approved for transfer to a user-specified filename, path or device.

The computerised financial management system must have a capability of recording what records have been transferred and when.

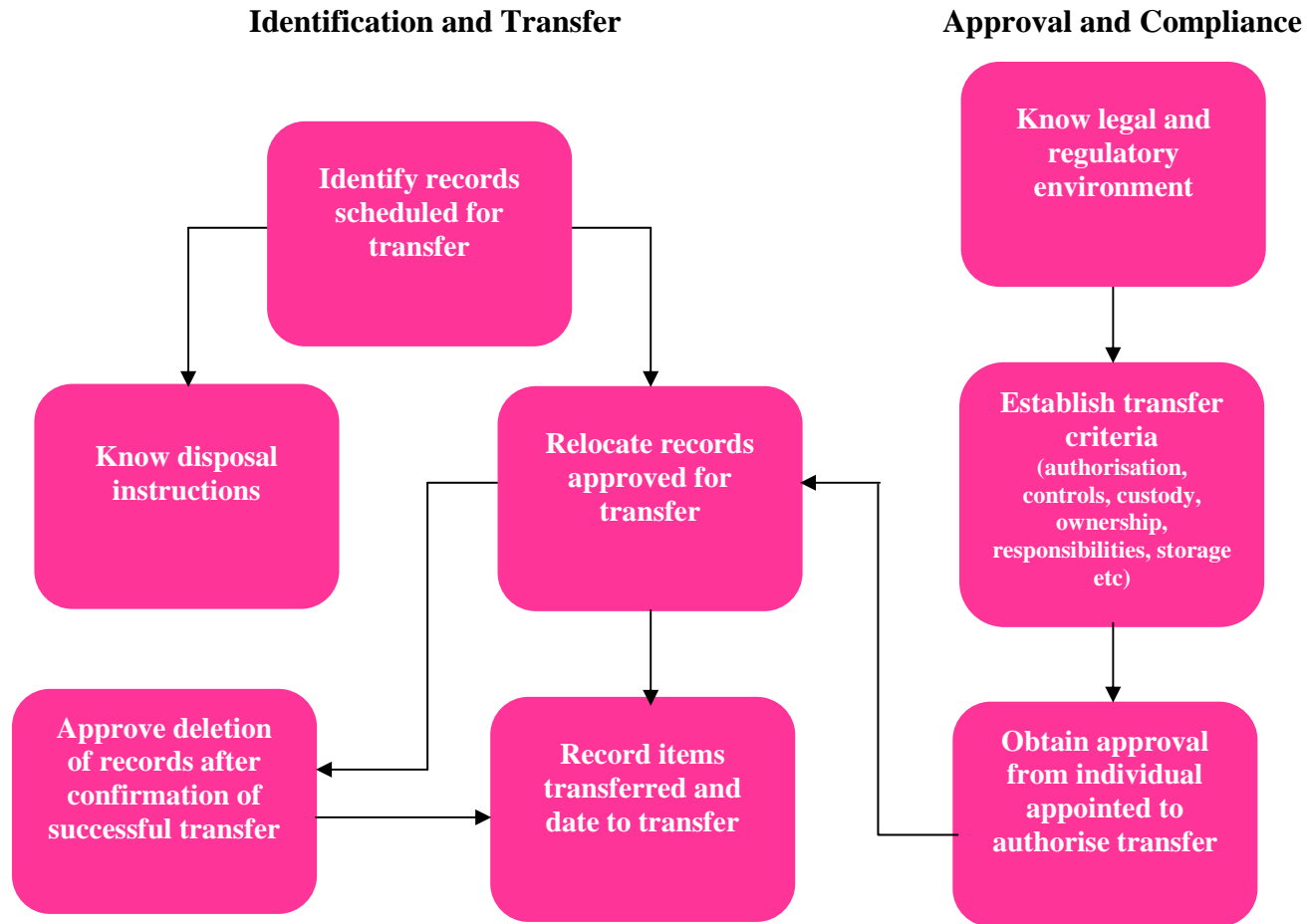
The computerised financial management system must, for records approved for transfer, provide the capability for only authorised individuals to suspend the deletion of records until successful transfer has been confirmed.

Control Objective

To comply with instructions from the appropriate records authority to keep these records in the public interest. Enforcing this control demonstrates compliance with the legal and regulatory environment applicable to the management of financial records.

Transfer System

Transferring records from one location to another by a controlled process according to disposal instructions and authorisation in order to comply with the legal and regulatory environment applicable to accounting records management.



Destruction

The computerised financial management system must be able to delete irretrievably transaction records that are no longer required for operational and audit purposes and have no enduring value.

The computerised financial management system must identify records that are eligible for deletion according to the disposal instruction.

The computerised financial management system must restrict execution of the records deletion commands to authorised individuals.

The computerised financial management system must, for records approved for deletion, request a second confirmation that requires an authorised individual to confirm the delete command prior to execution. This could be done through the use of a dialog box.

The computerised financial management system must delete records in such a manner that the records cannot be physically reconstructed.

The computerised financial management system should be able to delete records as aggregates and selectively.

The computerised financial management system must record what records have been deleted and when.

The computerised financial management system must ensure that, for records approved for deletion, all copies, including security copies, preservation copies and back up copies are destroyed.

Control Objective

To demonstrate that those records, which are no longer required for operational and administrative purposes, are deleted according to an agreed procedure. Enforcing this control demonstrates compliance with the legal and regulatory environment applicable to accounting records management and provides a mechanism to protect those records that should be preserved from unauthorised deletion.

Destruction System

Deleting records irretrievably by a strictly regulated process of identification and authorisation in order to comply with the legal and regulatory environment applicable to accounting records management

