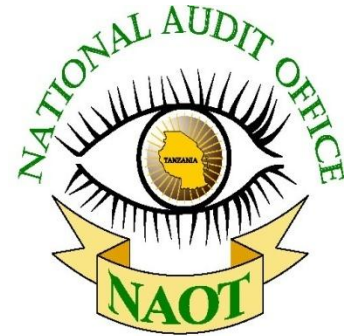




**THE UNITED REPUBLIC OF TANZANIA  
NATIONAL AUDIT OFFICE**



**EXPERIENCE ON FOREST AUDIT**

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# Outline

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# Introduction

The National Audit of Tanzania participated in Trans-regional Capacity Building Programme for Performance Audits of Environmental Issues in Forestry 2010-2012 coordinated by IDI and INTOSAI-WGEA. Activities involved were:

- online development of draft audit plan,
- audit planning meeting,
- pilot audits with supports of experts,
- review meeting for finalizing report.
- The report was tabled on March 2012.

(<http://www.nao.go.tz>)

# Audit objective

- I. To assess the effectiveness of controls set by MNRT to ensure that revenues from harvested forests are fully collected.
  
- II. To evaluate the performance of Check Points and Surveillance Units in dealing with illegal forest harvesting and trade.

# Methodologies

In order to obtain the evidence to conclude on the mentioned objectives, the following methods were used:

## **Review of relevant documents and interviewing**

**relevant officials** to examine, among many, whether

- There is effective control mechanism to ensure that harvesting of forest is done according to the approved plan.
- the royalty of harvested trees reflects the market price
- Check Points and the Surveillance Units controls illegal logging
- Sanctions and penalties regulated to stop illegal harvesting/forest trade

# Methodologies Cont...

The obtained data was analyzed to:

- find out compliance with the procedures in forest harvesting such as
  - Harvesting forest according to approved plans
  - Issuing of license, permit and transit pass
  - Monitoring at the district level-district harvesting committee (fig. 2 pg 26)

# Methodologies Cont...

- determine consistence in royalties charged by the ministry with the market price.
- Allocation of check points according to sensitivity (pg 41)
- performance of forest surveillance unit (pg 48)

# Audit findings

The following among many are the findings

- 4 % ( 35) of the forest reserves have Forest Management Plans FMP, 96% operate without FMP.
- No effective mechanism of controlling the issuance of licenses at district level.
- The guidelines on sustainable forest harvesting are not fully followed, DFOS do not check the harvested logs at source as required by law and guidelines.
- Lack of MNRT Check Points in sensitive harvesting areas such.



# Audit findings cont...

- MNRT do not monitor forest harvesting activities in the districts which harvest forests.
- The low fines do not act as deterrent to illegal operators to stop illegal trade in forest products.
- The two authorities have conflicting objectives on forest management.
- 16 out of the 28 checkpoints (more than 60%) are located in very close places.

# Recommendations

- Harvesting of forest products should follow approved Forest Management Plans.
  - MNRT should stop districts without approved FMP from issuing harvesting permits.
- The royalty setting should be based on a proven model which considers all the key factors including production/management costs, environmental services and opportunity costs. the revision should be done regularly

# Recommendations

- Improve operations of Check Points especially in strategic areas and ensure that all staff at the Check Points are well trained.
- Rates of fines and penalties charged help to reach the intended deterrent effect.

# Challenges

- Data for volume of Forest Harvested where harvesting is taking place in relation to revenue collected, frequency of meeting was not readily available to the audit team.
  - *Solution: we use data obtained in one district to see the relation between revenue collected and frequency of the meeting only.*
- The audit did not cover the whole revenue collection system and as such, the Logging and Miscellaneous Deposit Account (LMDA) which is charged and retained at source was not audited (mainly from forest plantations).

# Lessons learned

## Planning.

- There was clarity of roles, tasks, and **instructions** in planning phase thereafter in audit planning meeting where we had face to face discussion with experts and **peer review**.
- The WGEA guide *Forest Audit* was a useful starting point and excellent framework when planning the forest Audit.

# Lessons learned cont...

## **Use of Subject Mater Expert (SMEs).**

- The availability of the Subject Matter expert during the entire time of project was helpful. The team for SAI-Tanzania benefited from strong and skilled facilitators and other auditors from different SAIs who commented on our draft at different stages.

## **. Sharing knowledge**

- The project has helped out team to gain knowledge from other auditors participated in this programme. The project helped us to acquire more knowledge through establishing networks and through formal and informal discussions over the course of the collaboration. Developing contacts and resources with other SAIs helped to improve our work.

**Thank You**