

THE UNITED REPUBLIC OF TANZANIA



No. 16 OF 1975

I ASSENT,

Julius K. Nyerere
President

12TH..AUGUST, 1975

An Act to provide for the Supervision and Control of the Funds of Parastatal Organizations

..... AUGUST, 1975]

ENACTED by the Parliament of the United Republic of Tanzania.

1. This Act may be cited as the Parastatal Organizations (Financial Supervision and Control) Act, 1975. Short title

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

Interpreta-
tion

"the Inspectorate" means the Inspectorate established by section 3;

"Minister" means the Minister for the time being responsible for finance;

"parastatal organization" means any body corporate established by or under any written law other than-

- (a) a company incorporated or registered under the Companies Ordinance; Cap. 212
- (b) the Community, the Corporations within the Community and bodies corporate established by or under any Act of the Community,

but includes any company the whole of the share capital of which is owned by the Government or any parastatal organization (including any such company).

Parastatal
Revenue
and
Expenditure
Inspectorate

3.-(1) The Minister may establish an Inspectorate (to be known as the Inspectorate for control and Supervision of Parastatal Funds) for the supervision, control, protection and economy of the funds and property of parastatal organizations.

(2) The Inspectorate shall consist of-

- (a) a Chief Inspector appointed by the President;
- (b) such number of other inspectors as the Minister may deem fit.

(3) The offices of the Chief Inspector and the inspectors shall be offices in the service of the United Republic.

(4) The functions of the Inspectorate shall be-

- (a) to examine the expenditure of parastatal funds by the various parastatal organizations and their employees;
- (b) to investigate the conduct of and the performance of their functions by the officers having control of or access to the funds of parastatal organizations or employed in the maintenance of the accounts of the parastatal organizations-
- (c) from time to time, to review financial regulations of parastatal organizations and propose amendments thereto;
- (d) generally, to make recommendations and submit proposals to the Minister for ways and means of-
 - (i) minimising unproductive expenditure of the funds of parastatal organizations;
 - (ii) proper and efficient collection of such funds; and
 - (iii) averting loss, by negligence, carelessness, theft dishonesty or otherwise howsoever, of such funds;
- (e) to undertake such other enquiry and perform such other function as the Minister may direct.

(5) The Chief Inspector and the inspectors shall have-

- (a) the power to inspect all offices of parastatal organizations and shall also be given access at all times thereto, and shall also be given all available information they may require with regard to the funds and property of any parastatal organization and access to all accounts, records of financial transactions and other documents appertaining to such funds or property;
- (b) such additional powers necessary or expedient for the efficient performance of their functions as the Minister may, with the consent of the Prime Minister, by order in the *Gazette* prescribe.

Financial
regulations

4.-(1) It shall be lawful for the Minister, in consultation with a parastatal, organization, to make financial regulations in relation to the management of the funds of such organization.

(2) Where financial regulations are made under this section they shall not be required to be published in the *Gazette* but the parastatal organization shall endeavor to ensure that such regulations are brought to the notice of all its employees who are likely to be affected thereby.

(3) Financial regulations made under this section in respect of any parastatal organization shall be binding on the parastatal organization and its employees notwithstanding any other written law or the Articles of Association of the parastatal organization:

Provided that financial regulations made under this section shall not-

- (a) offend against any specific requirement of the written law by or under which the parastatal organization is established;
- (b) authorize the parastatal organization to borrow monies or effect disbursements in excess of the limits, if any, prescribed by the written law by or under which it is established.

(4) Notwithstanding the provisions of the proviso to subsection (3) it shall be lawful for the Minister, by financial regulations made under this section, to alter the financial year of a parastatal organization and to vary the periods within which such parastatal organization is required to submit its accounts to any authority or to have its accounts audited, or any other period prescribed in relation to accounts or audit:

Provided that where any such variation as aforesaid is made the Minister may, by order in the *Gazette*, amend the written law by or under which the parastatal organization is established, to give effect to the variation and every such order made shall have the same effect as if the provisions thereof were set out in this Act.

(5) The Minister may prescribe a penalty for the contravention of any financial regulation made under this section or for the breach of any requirement of this Act and such penalty may be imposed after such inquiry and investigation conducted in such manner and by such authority as the Minister may by regulations provided.

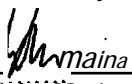
(6) Any penalties prescribed under subsection (5) may exceed the limits prescribed by section 32 of the Interpretation of Laws and General Clauses Act, 1972.

5. (1) The Minister may, with the consent of the President, direct any parastatal organization to pay to the Government as a dividend loan, contribution or otherwise, such portion of its net profits or surpluses in any financial year as may be specified in such direction.

(2) Any direction given under subsection (1) shall be binding on and be complied with by the parastatal organization notwithstanding the provisions of any other written law or of any Articles of Association or other charter or instrument whatsoever.

Minister's
power over
profits and
surpluses of
parastatal
organiza-
tions

Passed in the National Assembly on the sixteenth day of July, 1975.


Clerk of the National Assembly