

**THE COOPERATIVE AUDIT AND SUPERVISION  
(AMENDMENT) ACT, 2005**

---

**ARRANGEMENT OF SECTIONS**

---

*Section* *Title*

**PART I  
PRELIMINARY PROVISIONS**

1. Short title.

**PART II  
GENERAL AMENDMENTS**

2. Amendment of Section 2.
3. Amendment of Section 4.
4. Amendment of Section 5.
5. Addition of Section 5A
6. Amendment of Section 6.
7. Amendment of Section 7.
8. Amendment of Section 8.
9. Amendment of Section 10.
10. Amendment of Section 11.
11. Amendment of Section 12.
12. Amendment of Section 15.
13. Amendment of Section 16.
14. Amendment of Section 17.
15. Amendment of Section 21.
16. Amendment of the First Schedule.

## THE UNITED REPUBLIC OF TANZANIA



No. 9 OF 2005

I ASSENT,  
*Benjamin W. Mhapa*

.....  
 President

6<sup>th</sup> June, 2005.  
 .....

**An Act to amend the Cooperative Audit and Supervision Act,  
 1982.**

[.....]

ENACTED by the Parliament of the United Republic of Tanzania.

**PART I  
 PRELIMINARY PROVISIONS**

1. This Act may be cited as the Cooperative Audit and Supervision (Amendment) Act, 2005 and shall be read as one with the Cooperative Audit and Supervision Act, 1982 herein after referred to as the "principal Act".

Short title  
 Act No.  
 15 of  
 1982

**PART II  
 GENERAL AMENDMENTS**

2. Section 2 of the Principal Act is hereby amended by-  
 (a) inserting in appropriate alphabetical order the following definitions:-  
 "apex" has the meaning ascribed to it by the Cooperative Societies Act, 2003;

Amend-  
 ment of  
 section 2  
 Act No.  
 20 of  
 2003

Act No.  
20 of  
2003

- ‘middle cooperative society’ means a registered tertiary or secondary cooperative society which is between a primary society and a federation;
- “federation” has the meaning ascribed to it by the Cooperative Societies Act, 2003;
- “pre-cooperatives groups” has the meaning ascribed to it by the Cooperative Societies Act, 2003;
- “registered Cooperative Society” has the meaning ascribed to it by the Cooperative Societies Act, 2003;
- “supervision” means the presentation of audited accounts in the annual general meeting, report of follow-up of previous audits, interim and special investigations;
- (b) adding the word “General” immediately after the word “Director” whenever it appears in the Principal Act;
- (c) by deleting the words “Management Committee” wherever they appear in the Act and substituting for them the words “Management Board”; and
- (d) deleting the whole definition of the word “Board” and substituting for it the following new definition:  
“Board” means the Board of Directors established under Section 5(1).

Amend-  
ment of  
Section 4

3. Section 4 of the Principal Act is amended by deleting the whole section and substituting for it with the following section-

Func-  
tions of  
the  
Corpora-  
tion

4.-(1) Subject to this section, the functions of the Corporation shall be-

- (a) to provide audit services to pre-cooperative groups, cooperative societies, private or public companies and other organizations;
- (b) to provide supervision services to pre-cooperative groups and cooperative societies;
- (c) to formulate audit and accounting policies for adoption by the societies;
- (d) to carry out research and consultancy services;
- (e) to monitor other audit firms which shall conduct auditing services to pre-cooperative groups and cooperative societies; and

(f) to do anything which may facilitate the proper services of the functions of the Corporation.

(2) The Corporation shall be responsible for auditing and shall perform such audit in conformity with the best practices of the accounts professional standards.

(3) Except where it is otherwise provided in any other law, the Corporation, shall within twelve months of the end of the financial year concerned, audit accounts of any cooperative society.

(4) The Corporation may provide its services, to cooperatives societies or any other person upon such terms and conditions as may be agreed between the Corporation and such cooperative societies or any such other person.

(5) The Corporation may if required by a written direction of the Minister or Registrar so to do, provide its services upon such terms and conditions as may be specified in such direction to a cooperative society.

(6) The Corporation may, from time to time, appoint on such terms and conditions as it may think fit other officers as it may consider necessary for the performance of its functions and may enter into such arrangements with persons or firms for supply of services or facilities to the Corporation as it may consider desirable.

(7) The Corporation shall have power to do any other thing, which is necessary or expedient for its proper carrying out of its functions under this Act.

(8) Subject to special direction by the Minister in the exercise of its functions under subsection (4) above, the Corporation shall not be subject to the direction or control of any other person or authority.

(9) The Corporation in exercising its functions, shall make sure that the registered cooperative societies adhere to the best practice and code of conduct provided in the Schedule of the Cooperatives Societies Act;”.

Amendment of Section 5

4. Section 5 of the Principal Act is amended by deleting subsections (3) and (4).

Addition of section 5A

5. The Principal Act is amended by adding the following new section immediately below section 5-

"Directorates, Department and appointments of Directors

5A. (1) The Corporation may, from time to time with the approval of the Board, appoint on such terms and conditions as it may think fit such number of directors for the purpose of serving directorates under the supervision of the Director General.

(2) The Corporation may, with the approval of the Board from time to time establish departments, divisions or sections for the purposes of enhancing the performance of the day to day activities of the Corporation.

(3) The Board shall appoint a Director General who shall be responsible for the day to day administration of the Corporation and Secretary to the Board.

(4) The Board shall when appointing the Director General or directors use a search committee or any other procedure as may be prescribed from time to time."

Amendment of Section 6

6. Section 6 of the Principal Act is hereby amended-

(a) in subsection (1) by deleting that subsection and substituting for it the following subsection-

"(1) The Director General shall, once a year, audit or cause to be audited by some person authorized by him or by general meeting or specified order in writing the accounts of every registered primary society, federation and other middle cooperative societies as may be established by members,"

(b) in subsection (4) by deleting the word "five" and substituting for it the word "fifty".

7. Section 7 of the Principal Act is hereby amended by deleting the word "of", appearing immediately after the words "The Registrar may" in the first line and substituting for it the word "at".

Amendment of section 7

8. Section 8(3) of the Principal Act is hereby amended by deleting the word "twenty" appearing immediately after the word "exceeding" in the eighth line and substituting for it the words "two hundred".

Amendment of Section 8

9. Section 10 of the Principal Act is hereby amended-

Amendment of Section 10

(a) in subsection (1) by deleting the word "of" which appears between the words "officers" and "former" and substituting for it the word "or";

(b) in subsection (2) by deleting the word "to" which appears between the words "certificate" and "the Registrar" and substituting for it the words "by".

10. Section 11 of the Principal Act is hereby amended by deleting the word "thirty" which appears between the words "exceeding" and "thousand" and substituting for it the words "three hundred".

Amendment of section 11

11. Section 12 of the Principal Act is hereby amended-

Amendment of section 12

(a) in paragraph (a) by deleting words "such sums which may derive" and substituting for them the words "fees derived";

(b) in paragraph (b) by deleting the word "fees" and substituting for it the word "rent".

12. Section 15 of the Principal Act is hereby amended:-

Amendment of section 15

(a) by deleting the whole of subsection (2) and substituting for it with the following-

"(2) The financial year of the Corporation shall end on 30<sup>th</sup> June";

- (b) in paragraph (b) of subsection (8) by deleting the phrase "two hundred thousand" appearing between the words "exceeding" and "shillings" and substituting for it the phrase "two million";

Amend-  
ment of  
section  
16

13. Section 16 of the Principal Act is hereby amended-

- (a) in paragraph (a) by deleting the words "Secretariat and the" which appear before the word "Corporation";
- (b) in subsection (2) by deleting the words "Tanzania Audit Corporation" and substituting for them the words "external auditors appointed by the Board";
- (c) in subsection (3) by deleting the words "endorsed with the certificate that it has been adopted" and substituting for them the words "signed by the Chairperson and one Director";
- (d) in subsection (4) by deleting the words "Tanzania Audit Corporation" and substituting for them the words "external auditors".

Amend-  
ment of  
section  
17

14. Section 17 of the Principal Act is hereby amended in subsection (1) by deleting the words "Tanzania Audit Corporation" and substituting for them the words "external auditors".

Amend-  
ment of  
section  
21

15. Section 21 of the Principal Act is hereby amended by deleting the whole section and substituting for it the following-

"Liabili-  
ties of  
members  
of the  
Board  
Cap. 16,  
Act No.  
30 of  
1974

21. Without prejudice to the provisions of Section 284A of the Penal Code or of the Specified Officers (Recovery of Debts) Act, 1970 or of the Parastatal Employees (Recovery of Debts) Act, 1974, no act done or omitted to be done by any person who is a member of the Board or employee of the Corporation or its agent shall, if done or omitted *bona fide* in the execution or purported execution of his duties as the member of the Board or employee of the Corporation or its agent, subject that person to any action, liability or demand of any kind".

**16. The First Schedule to the Principal Act is amended-**

- (a) In paragraph 1 by deleting it and substituting for it the following new paragraph-

**“1. The Board shall consist of-**

- (a) the Chairman who shall be appointed by the President;
- (b) one member representing the Controller and Auditor General;
- (c) the Registrar of Cooperative Societies;
- (d) the Secretary General of the Federation;
- (e) the Principal of the Moshi University College of Cooperative and Business Studies;
- (f) the Commissioner of Budget;
- (g) one member representing workers; and

(a) two other members from secondary societies or any other cooperative society appointed by the Minister after consultation with the Federation of whom at least one shall be a woman.”

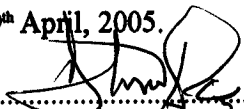
(b) in paragraph 8(2) by inserting the word “in” between the words “or” and “his”;

(c) in paragraph 14 by deleting the word “of “ appearing in the second line immediately after the word “Director” and substituting for it the word “or”.

(d) in paragraph 15 by adding the following paragraph immediately below paragraph 15:-

**“16, The Board may establish committees or sub-committees to assist it in exercising its functions.”**

Passed in the National Assembly on the 19<sup>th</sup> April, 2005.

  
.....  
Clerk of the National Assembly