DISPORSAL OF ASSETS IN GOVERNMENT EXECUTIVE AGENCIES: THE CASE OF TANZANIA INSTITUTE OF ACCOUNTANCY (TIA) – DAR ES SALAAM
DISPORAL OF ASSETS IN GOVERNMENT EXECUTIVE AGENCIES: THE CASE OF TANZANIA INSTITUTE OF ACCOUNTANCY (TIA) – DAR ES SALAAM

By
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A Dissertation Report Submitted to in Partial Fulfillment of the Requirement for the Award of the Degree of Master of Science in Procurement & Supply Chain Management (MSc-PSCM) of Mzumbe University

2013
CERTIFICATION

The undersigned certifies that, he has read and hereby recommends for acceptance by Mzumbe University a Main research paper entitled “Disposal Of Assets In Government Executive Agencies; The Case Of Tanzania Institute Of Accountancy” in partial fulfillment of the requirements for the degree of the Degree of Masters of Science in Procurement & Supply Chain Management (MSc-PSCM) at Mzumbe University.

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Internal Examiner

Accepted for the Board of ..............................................................

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DEAN/DIRECTOR, FACULTY/DIRECTORATE/SCHOOL/BOARD
DECLARATION

I, KENNEDY .E.NDOSI, declare that this Main research paper is my own original work and it has not been presented to any Institution for similar or any other degree award.

Signature…………………………………

Date………………………………………
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I’m thankful to Almighty God for helping me to attain this stage of doing a dissertation for fulfilment of Degree of Masters of Science in Procurement & Supply Chain Management (MSc-PSCM).

Special thanks should go to my supervisor Mr Maige.M.Mwasimba for his constructive guidance, comments, and participation in designing the best conduct of doing my research.

Last but not least I would like to thank Mrs Caroline Mulungu who typed and made compilation of the whole my report.

It is not possible to thank everyone who contributed to this study; personally, I would like to express my appreciation for whatever anybody has contributed for the study.

Iam thanking you all.

May God bless you all.
DEDICATION

This research report is dedicated to my beloved wife Neema Widmen Ulomi, my aunt Lyidia Lewis, my cousin Brother Fuya Kimbita and his Family respectively for their parental care towards my future. God bless them.
### LIST OF ABBREVIATION AND ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>TIA</td>
<td>Tanzania Institute of Accountancy</td>
</tr>
<tr>
<td>PPA</td>
<td>Public Procurement Act</td>
</tr>
<tr>
<td>SPFM</td>
<td>Scottish Public Finance Manual</td>
</tr>
<tr>
<td>PPDA</td>
<td>Public Procurement and Disposal of Public Assets Authority</td>
</tr>
<tr>
<td>CPSP</td>
<td>Certified Procurement and Supplies Professional</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standard</td>
</tr>
<tr>
<td>PSPTB</td>
<td>Procurement and Supplies Professionals and Technicians Board</td>
</tr>
<tr>
<td>PPR</td>
<td>Public Procurement Regulations</td>
</tr>
<tr>
<td>DSA</td>
<td>Dar-es-Salaam School of Accountancy</td>
</tr>
<tr>
<td>U S A</td>
<td>United States of America</td>
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<tr>
<td>PMU</td>
<td>Procurement Management Unit</td>
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ABSTRACT

This study was conducted at TIA, Dar es Salaam campus. The objective of the study was to determine the challenges associated with disposal of public assets in Government Executive Agencies. This research paper is divided into five chapters such as background information, statement of the research problem, statement of the research objectives, significance of the research. It explains how other scholars have written about disposal of unused stocks and environment issue in general. The research strategy such as type of design, scope and Limitation of the study are explained. Also the Nature type of data; sampling procedures, measurements and data collection, data processing and data analysis was also explained, also the analysis of the finding was provided whereby the basis of conclusions and recommendation was formed and which will enable the Procurement and supplies management of the city and its three municipal councils and else where in Tanzania to improve and increase its efficiency. The methods which the researcher used to collect data were; questionnaire, interview, observation and internet. The findings chapter provides answers to the research questions, which were formulated to assist in achieving the objectives of the study. In order to investigate the effect associated with the disposal of public assets, the researcher has used different tables and diagrams to show that. The data collected were obtained through answers to questionnaires given to respondents who were selected by applying purposive/judgmental sampling technique. After the study and after editing the findings, analysis proved that TIA and its four campuses face many challenges in disposal of public assets. So the recommendations solutions for the challenges have been suggested and these challenges should be worked upon as soon as possible. The data collected were obtained through answers to questionnaires given to respondents who were selected by applying stratified sampling techniques. The strata consisted of members from stores staff, Accountant staff, Stocktaking staff, Management staff, PMU staff and TIA Tender Board Members.

After the study and after editing the findings, analysis proved that TIA faces many challenges in disposal of public assets. These challenges should be worked upon as soon as possible.
TABLE OF CONTENTS

CERTIFICATION ........................................................................................................... i
DECLARATION .............................................................................................................. ii
ACKNOWLEDGEMENT ................................................................................................ iv
DEDICATION ................................................................................................................ v
LIST OF ABBREVIATION AND ACRONYMS ............................................................ vi
ABSTRACT .................................................................................................................... vii

CHAPTER ONE ............................................................................................................. 1
OVERVIEW OF THE STUDY ...................................................................................... 1
1.0 Introduction .......................................................................................................... 1
1.1 Background Information .................................................................................... 1
1.2 Background to the research problem .................................................................. 2
1.3 Statement of the Research Problem .................................................................... 5
1.4 Research Objectives ........................................................................................... 6
1.4.1 General Objectives ....................................................................................... 6
1.4.2 Specific Objectives ....................................................................................... 6
1.5 Research Questions ............................................................................................. 7
1.5.1 General Research Question ......................................................................... 7
1.5.2 Specific Question ......................................................................................... 7
1.6 Significance of the study ................................................................................... 7
1.7 Limitations and Delimitation of the study ......................................................... 8
1.8 Organization of the study ................................................................................... 10

CHAPTER TWO .......................................................................................................... 11
LITERATURE REVIEW ............................................................................................... 11
2.1 Introduction ........................................................................................................ 11
2.2 Empirical literature from Tanzania .................................................................... 11
2.4 Empirical Studies ............................................................................................... 13
2.4.1 Abroad cases ............................................................................................... 13
2.4.2 Tanzania Case ............................................................................................ 14
CONCLUSION AND RECOMMENDATIONS ......................................................... 56
5.1 Introduction .......................................................................................... 57
5.2 Conclusion about research objectives. ..................................................... 57
5.3 Recommendations .................................................................................. 58
5.4 Synthesis from the findings ..................................................................... 60
5.5 Contribution to knowledge ..................................................................... 60
5.5.1 Implication to policy maker ................................................................. 60
5.5.2 Implication to decision maker ............................................................. 61
5.5.3 Area for further study: ....................................................................... 61
REFERENCES ............................................................................................. 62

LIST OF TABLES
Table 3.1: Population and Sample size ................................................................. 42
Table 4.1: Respondents who participate in the study........................................... 49
Table 4.2 Challenges Associated with Disposal of Public Assets in the Public sector 49
Table 4.3 Data Coding (Grouping into Categories)................................................. 50
Table 4.4: Lack of clear guidelines for disposal of Assets .................................. 53
Table 4.5: Responses and the respective percentages ......................................... 55

LIST OF FIGURES
Figure 2.1: Conceptual framework ................................................................. 37
Figure 4.1: Time, Carrying costs, Changes of Government Policy .................. 51
Figure 4.2: Lack of clear guidelines for disposal of Assets ............................ 54
Figure 4.3: Bar chart to show respondents answers to Question no.8 & Question no. 955
CHAPTER ONE
OVERVIEW OF THE STUDY

1.0 Introduction
The former DSA which was established in January 1973 as a government training centre initially conducted both short and long term courses for lower and middle level government accounting personnel in order to improve their work performance. It was later granted the status of institution of higher learning offering advanced diploma courses in accountancy and materials management in 1996. The DSA was lined up as an executive agency during the implementation of the public sector reform programme in 2000.

TIA is accredited by NACTE as an Institution of Higher Learning, mandated by NBAA and PSPTB formerly NBMM to offer training or conduct programmed in the fields of accountancy and procurement and supply.

1.1 Background Information
Procurement practice is the main process within an institution in terms of spending of organizational funds. The volume of purchase varies in accordance with the size of the procuring entity.

One of the most known studies is the county procurement assessment report (1996) which among others recommended for tendering as an appropriate method of procurement that would govern the public procurement process in the country. Hence tendering has increased efficiency in the country’s procurement system.

For instance, documentation, proper records lead to unavailability of stocks to be sold and lack of poor disposal to intended time being ineffective.

Both Government and non-government organisations procure both fixed and non-fixed assets for day to day use. Assets are procured to suit needs of the users and when the need for the particular assets ceases, disposal of the assets is inevitable.
Tanzania Institute of Accountancy (TIA) is an executive agency under the ministry of finance. It was established on 1st July 2002 by the Government Notice No.489 of 1st November 2002 and officially launched on 24th January 2003 as per Act no. 30 of 1997. It took over the operations of the former Dar es Salaam School of Accountancy (DSA) which was a government department.

1.2 Background to the research problem

Public assets are procured using public money and execution of the expenditure involved is guided by the PPA no. 21 of 2004 and Regulations 2005.

Cessation of use for any public assets may arise out of the following. The assets may cease to comply with occupational health standards, the assets design may cease to meet modern job performance standards in speed, accuracy, usage patterns, they may have outlived their useful life, individual preference may declare assets for disposal for selfish ends etc.

The Public Procurement Act number 21 of 2004 defines disposal of assets as the divestiture of public assets including intellectual and proprietary right and goodwill, and any other rights of a procuring and disposing entity by any means, including sale, hire-purchase, licenses, rental, tenancies, lease, auction, franchising, or any other combination however classified other than those regulated by the public corporation Act of 1992. It further defines “disposal process” as the successive stages in the disposal cycle including planning choice of procedure, measures to solicit offers from tenders, examination and evaluation of those offers and award of contract.

For a long time, public assets have been disposed of/sold out without details of their status. Most of the items would just be regarded as minor and left rotting in store yards, written off the assets registers or sold by public auction if regarded as major assets.
When the Public Procurement Act No. 21 of 2004 came into force, it insisted on the use of public tendering in disposing of the assets, just like Procurement.

Section 58(2) of the Act states “subject to this Act, all procurement and disposal shall be conducted in a manner to maximise competition and achieve economy, efficiency, transparency and value for money”.

Section 59(1) of the same Act specifies further by stating that “Except as provided for in sections 60, a procuring entity engaging in the procurement of goods, works or services or disposal by tender shall apply competitive tendering. Using the methods prescribed in the Regulations depending on the type and value of the procurement and in any case, the successful tender shall be the tender offering the lowest evaluated cost (Method of procurement).

Despite the recognition of the disposal of assets within the Public Procurement Act. No. 21 of 2004, there are no details concerning eligibility of assets for disposal but merely its attachment to Public Procurement procedures. Mostly, the section guiding procurement would also be referred to as being applicable to disposal of assets. In fact, the Act focuses on disposal of assets only in case of disposal by tendering, leaving other forms of public asset disposal under the jurisdiction of the head of the entity concerned with the disposal. Recently some public houses and vehicles were sold to their original users without public tendering.

Some institutions in the world have clearly developed bodies, rules, procedures, policies and even acts specifically for the disposal of assets. Uganda for example has a “Public Procurement and Disposal of Public Assets Authority (PPDA)”. In this case; both procurement and Disposal are given equal weight of importance. This is different from Tanzania which has a “Public Procurement Regulatory Authority (PPRA)”.

Despite the fact that disposal matters are also overseen by the authority, they are not clearly reflected even in the name composition of the board. The title of the Act
“PPA No. 21 of 2004” does not show explicitly that disposal of public assets is guided by the Act

Sheridan College in USA for example, has developed special guidelines on disposal of assets in which the methods and procedures for disposal of assets are clearly stated.

University of Toronto on the other hand has developed a policy on disposal of fixed Assets and Allocation of Proceeds of Disposition (Including Regulations).

Challenges associated with disposal of public assets in Tanzania are numerous especially when the policy of Socialism was not firm and public leadership code of conduct is loose by a big margin.

The Public Procurement Act number 21 of 2004 defines disposal of assets as the divestiture of public assets including intellectual and proprietary right and goodwill, and any other rights of a procuring and disposing entity by any means, including sale, hire-purchase, licenses, rental, tenancies, lease, auction, franchising, or any other combination however classified other than those regulated by the public corporation Act of 1992. It further defines “disposal process” as the successive stages in the disposal cycle including planning choice of procedure, measures to solicit offers from tenders, examination and evaluation of those offers and award of contract.

Procurement of disposal of public assets has got principles to be used which are effectiveness, efficiency, transparency, openness, attractiveness more value, economy and value for money. Above all methods of procurement, the Government is insisting on disposing the obsolete items by tender, because disposal of public asset by tender increase efficiency and quality performance, and impress internal stakeholders as well as external donors, hence minimize the scope of favouritisms and corruption. Disposal of public asset if well maintained can provide an opportunity to exercise fairness to all bidders and thus shaping the image of the
concerning entity. But in real sense the available procedure for the disposal by tender are very long and complicated which in one way or another demoralise the all process of disposal and sometimes some entity fail to conduct the disposal, as the result the obsolete items are thrown locally which in one way to another dumping area are being created every day and everywhere which leads to environment degradation.

In 1992 the United Nations conference on environment and development (UNCED) held in RIO de Janeiro by knowing the problem established the principles to be followed by National Governments and other stakeholders in order to protect the global environment and the society at large (William A.Uiso) cited in Agenda 21 of 1992 (UNCED).

Agenda 21 of 1992 (UNCED) (This was the name of the conference) identified green procurement as an environmental impacts and to shift towards sustainable patterns of expenditure and production.

1.3 Statement of the Research Problem
Disposal of public assets is an operation that needs good attention. A lot of public money can be retained through selling the unwanted assets. That money can serve provision of various services to the Government taxpayers.

The PPA No 21 of 2004 seems to have spelt out very superficially that competitive tendering shall be used in the disposal of public assets but omitted detailed criteria of how public assets may be eligible for disposal.

The challenges associated with disposal of public assets are that the PPA No.21 of 2004 and Regulations 2005 has very few and brief sections which state details of how disposal of all public assets should be conducted.

Public Procurement Act No. 21 of 2004 section No. 4 (3) of Part II - General Provisions, Procurement policy states that “The disposal of public assets polices are
based on the need to achieve the best available net return when disposing of public assets by tenders whilst conducting all disposal with honesty and fairness” and section No. 5 (d) states that

“The public assets, including assets identified by a board of survey, which are found obsolete, dormant or unserviceable, are disposed of in a manner which attracts maximum competition while reducing the administration and transaction costs.

The Act remain silent about status of the assets, policies, methods and knowledge appropriate for disposal of all public assets which aren’t tendered, thus leaving their disposal under the jurisdiction of the head of the entity concerned.

Therefore this may affect the disposal of public assets on time, be without proper system of disposing the public assets, poor records of an useful assets which may be already become obsolete which all this factors may lead cause a loss to the government etc.

The researcher proposed to conduct a study to give insight into the challenges associated with disposal of public assets on the basis of findings of a case study of TIA-Dar-es-Salaam.

1.4 Research Objectives

1.4.1 General Objectives.

To determine the challenges associated with disposal of public assets in Government Executive Agencies.

1.4.2 Specific Objectives

i) To determine if there is a proper record of assets during disposal of public assets.

ii) To find out whether lack of detailed guidelines for disposal of all public assets in the PPA No.21 of 2004 Reg. 2005 is a challenge associated with disposal of public assets.
iii) To explore if the disposal of public assets exercise were conducted by following a clear rules and regulations as it described in the PPA 2004 and PPR 2005.

1.5 Research Questions
1.5.1 General Research Question
What are the difficulties faced by disposal of assets in Government Executive Agencies?

1.5.2 Specific Question
i. How the changes of government policy become a challenge associated with disposal of public assets in Government Executive Agency like TIA?
ii. How lack of clear and detailed guidelines for disposal of assets as stipulated in the PPA No. 21 of 2004 Reg. 2005 be a difficulties associated with disposal of public Assets at TIA?

1.6 Significance of the study
The study intend to reveal current procedures employed to control and manage the procedures and regulations that was established the causes of disposal of public assets and will propose a way forward and this study was accomplished by the researcher and believes that it will be of much help to the organization in future disposal exercises of public assets.

To the organization
It can help the TIA to identify areas of weaknesses so that corrective measures will be taken to institute proper disposing of public assets.
• Through recommendations from this study it can help the organization to render the required determination on disposal exercises to the Institute and to the customers as well.
To the Environment
Traditionally there has been a tendency of buying ad receiving goods and or services without considering environmental aspect, and some times the received items reach the premises when there no longer in need by that organization at that particular time which in long run they turn to be dangerous to the human health and environment, funny enough even the disposal procedures available seems to be not friend to the environment. Because of this tendency my research concentrated on environmental friendly procurement and environmental friendly disposals, so that it can helps protecting and clears the unnecessary waste within the TIA and its campuses.

To the society
- It can be used as an additional reference to other researchers on disposal of assets management innovation.
- The study will provide practioners advices on proper way of carrying out assets management.
- It can help the procurement practitioners to lender their career in disposal field.
- It can help academicians as their reference which will help them to identify areas which are uncovered by the researcher and work on them.

To the researcher
It can help as a partial fulfilrnent for the award of Masters of Science in Procurement and Supply Chain Management awarded by Mzumbe University.

1.7 Limitations and Delimitation of the study
Time
The researcher proposes to conduct the study during official working hours and do his official duties simultaneously so time will be a constraint which will be overcome by conducting a case study of TIA in Main Campus which is
Dar-es-salaam only as a representative of all other campuses such as Mbeya, Singida and Singida campuses.

**Financial Assistance**
The researcher proposes to use his own monthly salary to meet all costs of the study including stationery and all other secretarial services.

In order to complete the study successfully, so that the researcher proposes to prepare a budget and timetable which will enable him work with a sample of TIA employees in Dar-es-salaam campus only.

**Insufficient knowledge:**
Many organizations are unfamiliar with the concept of environmental friendly disposal or with the options available to them for an organization to participate; it must have understanding of the concept in order to help the researcher to get correct information. Here the researcher tried to elaborate more about the issue before asking anything, so it was not hindrance of my thesis.

**Funds:**
Conducting a research needs money and time so that a researcher can come out with correct data. Collection of data involved moving from one place to another, internet surfing, printing of manuscript and even traveling in order get enough data. The study in most cases consumed a big amount of money compare to given money. The researcher used the minimal method of collecting data as much as possible.

**Confidential information**
In many organizations, some of the information is regarded as a confidential so they are so difficult to be obtained and to be collected. This limitation hindered the researcher to obtain some other necessary data. But the researcher sought an official permission from the authorizing officer to access them.
1.8 Organization of the study
The researcher organised his study in manner that enabled him to write the report in chapters on the basis showing sequences of activities performed in conducting the study.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
This researcher proposed to review previous research reports, resolutions made at conferences about policy of disposal of public assets and various journals.

It is in the interest of the researcher that the review of the literature will enable him discover gaps and missing information in the policy governing disposal of public of surplus/ assets.

According to Kothari (2004), all available literature concerning the research problem at hand must necessarily be surveyed and investigated before definition of the research problem is formulated.

2.2 Empirical literature from Tanzania
In conducting research on the factors that affect proper inventory management and control, a review of relevant empirical studies and related work from theoretical literature was done so as to link the current study to what has been documented.

Every now and then, members of parliament express their heated feelings on misappropriate of public funds committed by local Government. Most of local Government purchases are greater than necessary required by their respective institution. The capital is tied up and the organization experience loss due to deterioration, obsolete, obsolescence etc.

Malema, (2005) in his analysis discovered that the organization has some procedures and policies that set but not in practice. These lead to an organization to have high value of redundant stocks in the annual report for different year.

Kossima, (2001) pointed out that, the procurement regulation, rules and procedures were established to enable the Government to manage their affair efficiently by
having all the necessary materials and services and reduce costs involve in procurement. Contrary to the expectation, procurement in the Government has been inefficient, regulations deliberately been fluted for the benefit of individuals. The Government ha lost a lot of money by purchasing inferior goods and services at high price and sometimes in a claim those goods that were not delivered.

Stella (2002) in her study of factor contributing to poor stores operation at Danida School Maintenance Unit, she observed that, lack of storage facilities has caused some of them to remain un stored. Also she noted overstocked at Danida School Maintenance Unit has resulted to accumulation of materials which with time they deteriorate or become obsolete.

Jerome (2004) in his study on efficiency of disposal of assets a case study of ‘‘TANESCO’’

He found that, one of the weaknesses in the organization that led to inefficient inventory control was lack of clear and detailed policies on disposal of assets..

Tunganeg (2003) revealed in his study on assessment of management and disposal of dormant and obsolete materials that dormant and obsolete materials exist due to lack of proper communication between user department and supplier department which results to the purchases of spare parts and associated parts for obsolete motor vehicles and machines.

In another study done in Tanesco by Kafyetta (1995), there is substantial scope for improvement of performance and cost savings in inventory control, disposal Management at Tanesco surplus stores.

These are possible due to the absence of clear disposal control and Management techniques to assets problems in existence. Such problems include those of having a high financial investment in stocks and a high rate of stock out of key disposal/materials at the same time. There is also an absence on the standard working
methods. The stores performance is also poor as far as the level of service offered to customers; obsolescence stocks and security of un useful materials are concerned.

2.4 Empirical Studies

In general

A study conducted by Jolia, (2006) on disposal of public owned non core assets revealed that, to be specific, there should be more transparent, predetermined selection criteria for disposal of public assets and making them known to the public as well as involving stakeholders such as PPRA in the divestiture programme.

2.4.1 Abroad cases

Scotland Case

Disposal of Tangible Fixed Assets

In view of the experience of Scottish Government This section gives guidance on the review and disposal of tangible Fixed Assets. The guidance is aimed primarily at disposing of the constituent parts of the Scottish Administration including the Core Scottish Government and executive agencies. However other organizations to which the Scottish Public Finance Manual (SPFM) is directly applicable, including Sponsored bodies must ensure compliance with any relevant provisions and arrange for procedures consistent with the guidance to be put in place.

The principles are that the guidance should also be applied, for disposal of fixed assets so far as is appropriate by all bodies to which the SMFM is directly applicable in case where they have an interest in a disposal by third party. An example is where funding is being provided as part of Financial Package Involving proceeds from disposal.

Holding of assets should be kept under constant review with a view to disposing of surplus assets as quickly as possible. Surplus land and building should usually be disposed of within 3 years of being identified and surplus residential properties should usually be sold within six months of becoming empty.
Business areas within the Scottish Administration, Sponsored bodies and other bodies to which the SPFM is directly applicable must ensure that the Scottish Government’s property Advice Division is notified of relevant proposed disposals of property at the earliest opportunity. It should be made public when disposal of property is being considered.

All relevant business areas within the Scottish Administration, sponsored bodies and other bodies to which the SPFM is directly applicable must ensure that the Scottish Government’s property Advice Commission is notified of relevant proposed disposals of property at the earliest opportunity and at least 3 months before being advertised on the open market.

Assets sold on the open market should normally be disposed of using Chartered Surveyors Appraisal and Valuation Standards but reflecting special value and the effect of any voluntary conditions imposed by the seller.

The extent to which assets are disposed of at less than the market value, whichever definition is being used, would constitute a gift.

Loss on disposal i.e. the extent to which the proceeds from a disposal were less than the net book value of the asset would be a charge on the resource budget. Profit on disposal not covered by Budget Act (as revised by Budget Amendment Order) must by default be surrounded to the Scottish Consolidated Fund.

The proceeds or an appropriate proportion thereof from the disposal of assets acquired or improved with the aid of grant or grant in aid from Scottish Ministers should normally be cleared back by the Scottish Ministers or reinvested in accordance with conditions attached to the grant of grant in aid.

2.4.2 Tanzania Case
Tungange (2003) revealed in his study on assessment of management and disposal of dormant and obsolete materials that dormant and obsolete materials exist due to lack
of proper communication between user department and supplier department which results to the purchases of spare parts and associated parts for obsolete motor vehicles and machines.

In another study done in Tanesco by Kafyetta (1995), there is substantial scope for improvement of performance and cost savings in inventory control and Management at Tanesco surplus stores.

These are possible due to the absence of application of Inventory control and Management techniques to assets problems in existence. Such problems include those of having a high financial investment in stocks and a high rate of stock out of key disposal/materials at the same time. There is also an absence on the standard working methods. The stores performance is also poor as far as the level of service offered to customers; obsolescence stocks and security of unuseful materials are concerned.

2.5 Conceptual Definitions
A conceptual definition is the one which described a concept by using another concept. The concepts that are used in the definition might need a further clarification. In this way a process of definition will continue and at each point new concepts will be used in order to define others until the researcher encounter concept which cannot be defined by other concept. Such concepts are known as primitive concepts.

**Depreciation** is the systematic reduction in the recorded cost of a fixed asset. Examples of fixed assets that can be depreciated are buildings, furniture, leasehold improvements, and office equipment. The only exception is land, which is not depreciated. The reason for using depreciation is to match a portion of the cost of a fixed asset to the revenue that it generates; this is mandated under the matching principle, where you record revenues with their associated expenses in the same reporting period in order to give a complete picture of the results of a revenue-
generating transaction. The net effect of depreciation is a gradual decline in the reported carrying amount of fixed assets on the balance sheet.

It is very difficult to directly link a fixed asset with a revenue-generating activity, so we do not try - instead, we incur a steady amount of depreciation over the useful life of each fixed asset, so that the remaining cost of the asset on the company's records at the end of its useful life is only its salvage value.

There are three factors to consider when you calculate depreciation, which are:

- **Useful life.**
  This is the time period over which the company expects that the asset will be productive. Past its useful life, it is no longer cost-effective to continue operating the asset, so it is expected that the company will dispose of it. Depreciation is recognized over the useful life of an asset.

- **Salvage value.**
  When a company eventually disposes of an asset, it may be able to sell it for some reduced amount, which is the salvage value. Depreciation is calculated based on the asset cost, less any estimated salvage value. If salvage value is expected to be quite small, then it is generally ignored for the purpose of calculating depreciation.

- **Depreciation method.**
  You can calculate depreciation expense using an accelerated depreciation method, or evenly over the useful life of the asset. The advantage of using an accelerated method is that you can recognize more depreciation early in the life of a fixed asset, which defers some income tax expense recognition into a later period. The advantage of using a steady depreciation rate is the ease of calculation. Examples of accelerated depreciation methods are the declining balance and sum-of-the-years digits methods. The primary method for steady depreciation is the straight-line method. The units of production method is also available if you want to depreciate an asset based on its actual usage level, as is commonly done with airplane engines that have specific life spans tied to their usage levels.
If, midway through the useful life of an asset, you expect its useful life or the salvage value to change, you should incorporate the alteration into the calculation of depreciation over the remaining life of the asset; do not retrospectively change any depreciation that has already been recorded.

**Depreciation Journal Entries**

When you record depreciation, it is a debit to the Depreciation Expense account, and a credit to the Accumulated Depreciation account. The Accumulated Depreciation account is a contra account, which means that it appears on the balance sheet as a deduction from the original purchase price of an asset.

Once you dispose of an asset, you credit the Fixed Asset account in which the asset was originally recorded, and debit the Accumulated Depreciation account, thereby flushing the asset out of the balance sheet. If an asset was not fully depreciated at the time of its disposal, it will also be necessary to record a loss on undepreciated portion. This loss will be reduced by any proceeds from sale of the asset.

**Other Depreciation Issues**

Depreciation has nothing to do with the market value of a fixed asset, which may vary considerably from the net cost of the asset at any given time. Depreciation is a major issue in the calculation of a company's cash flows, because it is included in the calculation of net income, but does not involve any cash flow. Thus, a cash flow analysis calls for the inclusion of net income, with an add-back for any depreciation recognized as expense during the period.

**Surplus Items**

Surplus materials are those items which have no immediate use, but have accumulated due to faulty planning, forecasting and purchasing (Gopalakrishanan (2004)).
Accounting Officer
"Accounting Officer" means the Accounting Officer of a procuring and disposing entity so appointed by the Secretary to the Treasury, and for the avoidance of doubt includes the Accounting Officer of a Local Government or a statutory body.

Bid
"bid" means an offer to provide or to acquire works, services or supplies or any combination thereof, and shall include pre-qualification where applicable;

Bid Notice
"Bid Notice" means any advertisement by which eligible providers are invited to submit written offers to provide or acquire works, services and supplies, or any combination of them in case of procurement and disposal respectively;

Disposal
"disposal" means the divestiture of public assets, including intellectual and proprietary rights and goodwill, and any other rights of a procuring and disposing entity by any means, including sale, rental, lease, franchise, auction, or any combination however classified other than those regulated by the Public Enterprise Reform and Divestiture Statute, 1993;

Composite depreciation.
Is the application of a single straight-line depreciation rate and average useful life to a group of disparate fixed assets. The depreciation steps are:-
(i) Aggregate the total depreciable cost of all assets in the group.
(ii) Assign a single useful life to the asset group.
(iii) Divide the useful life figure by the total depreciable cost to arrive at the total depreciation per year under the straight-line method.
(iv) Record the depreciation for the entire asset group.

In short, composite depreciation involves the use of a weighted average of the depreciation rates for all of the fixed assets in a group.
If an asset that is being accounted for under this system is sold, the related accounting entry is a debit to cash for the amount received and a credit to the fixed asset account for the historical cost of the asset. If there is a difference between the two, record it against the accumulated depreciation account. This accounting treatment means that no gain or loss is recognized at the point of asset sale or disposal.

The method is most commonly used to calculate depreciation for an entire asset class, such as office supplies or production equipment. Composite depreciation can also be used when there are a number of assets comprising a single larger asset; for example, the roof, air conditioning unit, and frame of a building may all have different useful lives, but can be aggregated for depreciation through the composite method. Another situation where composite depreciation can be used is for the depreciation of all the assets in an entire facility.

Given the ease with which fixed asset accounting software can track the depreciation for individual assets, it is not really necessary to use composite depreciation, which may explain its rare usage. The system may have had greater applicability when manual record keeping was needed for fixed assets.

**Disposal Process**
"disposal process" means the successive stages in the disposal cycle, including planning, choice of procedure, measures to solicit offers

**Scrap Materials**
These are materials which are residues from manufacturing process which cannot be economically used within the organization. (Gopalakrishanan (2004)).

**Redundant Stock**
Are all usable items stocked more than the current requirements? (Mahanga (1983))
Waste Materials

Are materials or supplies that the original form changed during the production process and which can not fit for further use within the organization, due to the change of production methods, poor handling equipments, and or have been spoiled or broken. (Mahanga (1983))

Assets:

Means Entries on a balance sheet showing all properties currently owned or rented by an entity and claims against others that may be applied, directly or indirectly, to cover the liabilities of an organization as cash, copyright, customer lists, stock, patents, brand recognition and goodwill. (PPA No. 21 of 2004).

Obsolete Stocks:

Obsolete stocks are those equipment and materials which are not damaged and which have economic worth, but which are no longer useful for the specific company’s operations/uses. They include machines, items like food and drugs whose effectiveness has elapsed with the passage of time (Gopalakrishanan. (2004).

Disposal of Surpluses/Assets:

Means the diversification of public assets including intellectual properties rights of ownership and goodwill, and any other rights of a procuring and disposing entity, including sale, licences franchise, hire purchase, public auction or any combination however classified other than regulated by the Public Corporation Act. 1992 and (PPA No. 21 of 2004.

The asset disposal planning process:

Asset Disposal Planning is a structured and systematic process to ensure an agency's asset portfolio comprises only those assets that effectively meet its service delivery requirements at the lowest long-term cost to
Government. Disposal Planning is a five stage process driven from an agency’s asset strategy. The process described here is generic and covers the disposal of all types of assets. Additional aspects to be considered for the disposal of real property at each stage of the process.

**Stage 1**
Assess in detail those assets identified by the Asset Strategy as surplus to service delivery requirements.

**Stage 2**
Assess the advantages to Government, agency and the community in divesting assets.

**Stage 3**
Identify opportunities for increasing asset value before their disposal.

**Stage 4**
Identify disposal requirements including probity considerations.

**Stage 5**
Prepare and implement the Disposal Plan and monitor performance.

Agency Disposal Plans should cover the same period of time as the agency’s Capital Investment and Asset maintenance strategic plans, i.e. a rolling detailed annual plan, a three-year predictive plan, and a longer-term projection. This will allow:
- development of cross agency perspectives on the use and redistribution of assets that may become available;
- sufficient time for the planning and implementation of asset changes; and
- ongoing evaluation of asset sales against current and future market trends to achieve the best long term financial performance.

While the accuracy of a plan reduces with time, the period of the long-term projection should be chosen to include much of an agency’s asset service life.
expectancy and its longest service life planning cycle. In the case of real property assets, this could be up to 20 years.

The process described here is generic and covers the disposal of all types of assets. The additional aspects to be considered for the disposal of real property at each stage of the process, including information required.

**Change of Government Policy in Disposal of Assets**
Doubler States those surplus materials are materials in excess of a firm’s operational requirements or needs. Typically, surpluses originate from three primary sources as it described below:

1. **Surplus or Obsolete**
2. **Surplus, Obsolete or Damaged Equipment**
3. **Scraps materials and Waste**

1. **Surplus, Obsolete or Damaged Equipment.**
   Obsolete or damaged equipment are worn out/technologically obsolete equipment as a result of their operating life.

2. **Scraps and Waste**
   Some surplus from production processing is inevitable. Not all production Materials are wholly.

3. **Scraps Materials**
   These are residues as a result of faulty production process. Surpluses also result from inefficient use of production machinery, carelessness, and poor purchasing. This type of surplus is called waste. Effective Management does everything possible to keep waste at a minimum.

4. **Surplus Materials and Equipment**
Are materials, equipment or parts including capitalized equipment, which may be in excess of normal operating or repair requirements?

5. Disposal Process
The successive stages in the disposal cycles including planning. Choice of procedure, measures to solicit offers from Tenderers, examination and evaluation of those offers and award of contract; as per section 3 (1) of the Public Procurement Act No. 21 of 2004.

6. Surplus or Obsolete
These are products and parts which are no longer in use due to change in design and specification. Also surpluses accumulated in warehouses due to breakage, deterioration and errors in record keeping.

7. Assets Strategic Planning
The process of developing management strategies that will:

- Contribute to the best utilization of assets in the delivery of services to the community in line with corporate plans and services delivery strategies.
- Ensure ongoing compatibility between the composition of an assets’ portfolio and the changing environment within which it operates. (PPA No 21 of 2004 and Regulations 2005).

Maintenance planning process
Maintenance planning is a structured and systematic process, which ensures an agency’s portfolio of assets supports agency service delivery at the lowest possible long-term cost.

Maintenance planning is part of an agency’s overall asset planning and wider corporate planning, all of which reflect its corporate governance structures. The application of the planning process requires a detailed knowledge of the agency’s asset portfolio and good understanding of the service delivery strategy.

A well-defined and comprehensive service delivery strategy aligned with an agency’s Results and Services Plan is essential to the development of a meaningful
and effective Asset Strategy and Asset Maintenance Strategy. It must specify the services to be provided in sufficient detail to assess asset options against each service delivery component.

Criteria should be developed for assessing existing asset maintenance for its suitability to support service delivery objectives. This suitability will be expressed as a performance gap between existing asset maintenance levels and what is required. It should be measured at each step in the Asset Strategy framework (eg. location, capacity, functionality etc.).

This gap analysis should also highlight areas of waste, (such as under-utilisation of an asset or operating cost above market standard), and clarify opportunities for improving performance. An agency’s future direction is influenced by a number of factors including Government priorities, budgetary constraints, advances in technology, and changes in legislation. These factors impact on the way an agency delivers its services and need to be taken into account when determining future asset maintenance requirements.

Maintenance planning involves:
• An analysis of maintenance needs against agency corporate objectives and service outcomes;
• The development of maintenance strategies; and
• The instigation of procedures to ensure adequate control of the implementation of the maintenance program.

The 7-step planning process has been developed to link service strategies with asset maintenance. The descriptions of each stage are not intended to be prescriptive but rather present a range of issues, which should be considered. The significance of each issue and the degree of detail evaluated in the Plan will vary from agency to agency and with the types of asset they control.
The asset Maintenance Strategy should align with the Capital Investment Strategy and Asset Disposal Strategy, which collectively reflect the agency’s overall Asset Strategy.

Preparation of the Maintenance budget is part of the process of preparing the Maintenance Plan.

Theories and Concepts

Methods of disposing of obsolete items and their procedures

*Procurement News (August 2008)* Shows that, carrying disposal exercise in an organization is definitely associated with real costs that must be reflected in the books of accounts. Most companies in East Africa hold mountains of obsolete stocks for which nobody is ready to spend any time to remove them from the supply chain pipeline, this because of the long procedure of disposal.

Disposal cycle is the same as procurement cycle; it starts with recognition of the items to be disposed, specification of those items, supplier sourcing, and selection of supplier, supplier evaluation, and awarding and contract management. There are different methods of supplier sourcing, but since the act prefer and instruct using tendering method, then all the procedure for disposal are basing on tendering method.

*Section 59(1)* of the same Act specifies further by stating that “Except as provided for in sections 60, a procuring entity engaging in the procurement of goods, works or services or disposal by tender shall apply competitive tendering. Using the methods prescribed in the Regulations depending on the type and value of the procurement and in any case, the successful tender shall be the tender offering the lowest evaluated cost. (Method of procurement

However, in one way or another competitive tendering creates very long process unnecessarily and it is very costly and some times complicate things since it involves a lot of procedures.
2.3.1 General procedures of public disposal:
The procuring Entities are required to comply with regulation 40(2) of Public Procurement (goods, works, Non consultant service and Disposal of public Asset by Tender) Regulations 2005 – GN No 97 prior to commencing the process of disposing public asset by tender.

Identification of the obsolete items
All obsolete items are supposed to be identified before any other process. Through this identification an organization can be able to know and have a list of obsoletes
The identified list of the obsolete items is used to seek for an approval for disposal from the Chief Executive Officer.

Valuation of public asset;
Regulation 53(7) of Public Procurement Regulation 2005states that;
• A procuring entity shall obtain two valuations of an asset before commencing any disposal proceedings as follows;
  ➢ If required by law, a first valuation shall be obtained from a competent authority and a second shall be independent or
  ➢ Where there is no legal requirement, two independent valuations shall be obtained from appropriate authorities or providers.
• The two valuations report shall be confidential and the recommendations of each valuer shall not be revealed to another.
• When these reports differ by more than the identified range, the valuer shall be asked to revise the valuation.
• When the revised report differs again, the third valuation shall be obtained.

When the third valuation differs again, then, the authority is given to the entity to use another method of disposal, but when the report tall with the range or reserved price, the authority for the second procedure shall given, here is where the method to be used is suggested depending with the value of the items.

Invitation to Tender;
Invitation to tender shall be made through written invitation only Reg. 80(1).
A procurement entity shall prepare a short notice and advertise on the news media

Preparation of tender document;
Under sec 7(1) (d) PPRA is mandate to prepare and issue the standard bidding documents and guideline for the better carrying out of procurement activities. So the tender document with all the necessary contents like invitation to bidder, instruction to bidders, general conditions of the contract, special conditions of the contract, description of the assets, standard forms, instruction for ant–bribery policy

Receipt of tenders and opening;
Reg. 89(1-19) states on how tender shall be received and opened.

Examination, evaluation and comparison of the tender;
Regulation. 90(1-20) of the PPA 2004/2005 states on how tender shall be examined, evaluated and compared until they get the responsive tender.

The negotiation committee shall prepare a negotiation plan which shall specify the issues to be negotiated and the objectives to be achieved Reg. 95(1-20).

Contract award and notification;
Reg. 96(1-4) states that the contract award shall be made within the period of validity to the tenderer whose tender has been determined to be the highest evaluated.

Contract management;
A procuring entity shall obtain reports on the disposal of assets that have been dispatched.

According to Public Procurement Act No. 21 of 2004 and regulations 2005 (58) states that:-

- All public procurement and disposal of public assets or surpluses by tender shall be conducted in accordance with the basic principles set out in this Act.
- All procurement and disposal shall be conducted in a manner to maximize competition and achieve economy, efficiency, transparency and value for money.

According to Procurement News (August 2008)
Showed that carrying inventory in an organization is definitely associated with real costs that must be reflected in the books of accounts. Most companies in East Africa hold mountains of obsolete stocks for which nobody is ready to spend any time to remove them from the supply chain pipeline.

Due to this kind of delay in making decisions on what to do with unwanted stocks, quite a number of companies and institutions continue to experience cash flow problems and huge financial burden from local and overseas lending institutions. The more the company carries excessive obsolete inventory, the more its carrying cost increases due to outdated or obsolete inventory.

The following are methods or means of disposing of unwanted fixed assets; source (http/www.mopp.qut.ed.au) 26/01/2012

**Internal Transfer**

Transfer of equipment from one organization to another or from one portfolio to another may be arranged by agreement between heads of organizations/portfolios within the same organization. The approval of the relevant company manager or administrators.

Internal transfers may be agreed on a “no cost” basis or at a negotiated price. An equipment write-off-form must be forwarded to the finance services-business services to record the internal transfer of equipment valued according to the book value of such equipment so that assets can be traced for stock taking. In Accounting, asset numbers must be noted on the write-off form and contact contact details of the receiving organization/portfolio should also be noted.

**External Transfer**

Request to transfer equipment to other institutions must be made in writing, endorsed by the company manager or administrator and submitted to the deputy administrator for approval signed by the head of the organization/portfolio.

The following details are required for each request:

1. Description of each items
2. Equipment number of each item
3. Original purchase price
4. Account code for original purchase
5. Suggested transfer price

Request to transfer equipment to other institutions will be considered on the basis of the following guidelines:
1. In accordance with the terms of the grant where the equipment was purchased using external funds.
2. Whether some reimbursement may be required from the other institution. If the transfer is approved by the deputy administration an equipment write-off form is to be prepared and forwarded to the finance services/business services together with a copy of the approval.

**Sale by Internal Tender**

Where it is considered that the items being disposed of by one organization/portfolio may be useful to other organization/portfolio in the country an internal tender process may be organized by finance accountant.

Heads of organizations portfolio will be notified via email of the availability of such items and invited to tender for them. A reserve price will be placed on all items listed for sale by internal tender. This price will be arrived at by consultation between the disposing organization/portfolio, Financial Accounts and supply & payment staff. Items to be disposed of by tender must be maintained in the disposing organization/portfolio, in working order so that interested purchasers can view them. Successful bidder will be notified in writing by the finance services or business services staff and equipment can be transferred once a journal entry has been processed to record the transaction.

**Sale by External Tender**

Where it is considered there would be minimal interest from organization for portfolios within the ministry, Finance Services staff will arrange for the items to be
publicly advertised for sale by tender. This process may be solely through the competitive open tender, action market, restricted tendering and others.

The advertisement will include the following details:
1. A clause that items are to be sold in “as is” conditions with all faults and will be at the buyer’s risk.
2. A clause that the ministry reserves the right to reject any or all tenders.
3. A closing time for tenders and a place for lodgement of tenders.

Items to be disposed of by tender must be maintained in the disposing organization or portfolio, in working order, so that interested purchasers can view them. One organization may be useful to other organization portfolio in the country. An internal tender process may be organized by financial accountant. Heads of organization will be notified via e-mail of the availability of such items and invited to tender for them. A bench price will be placed on all items listed for sale by internal tender. This price will be arrived at through consultation among the disposing organization/portfolio, Financial Accounting and supply & payment staff.

Items to be disposed of by tender must be maintained in the disposing organization/portfolio in working order, so that interested purchasers can view them. Successful bidder will be notified in writing or any other methods by the finance services or Business Service staff and equipment can be transferred once a journal entry has been processed to record the transaction. Tenders are to be opened by two officers, data stamped and initiated by the opening officers.

A summary of the tenders was prepared and initiated by the opening officers, and referred to the head of the disposing organization or portfolio for recommendation. The tenderer who is the most beneficial to the ministry is to be accepted, provided it is considered to be reasonable. The successful tenderer is to be notified in writing by a letter which will be accompanied by an official ministerial invoice. Payment is to be made to the ministerial cashier by cash or Bank draft, credit union or building society cheque within fourteen days and prior to collection of the goods.
The ministerial official receipts was allowed the buyers’ authority to collect the goods.

**Sale by Public Auction**

Sale by public auction often produces very little proceeds and is therefore not the preferred methods of disposal. However, if it is perceived that there would be little response to public tender, then, public auction is likely to produce greater proceeds and goods may be sent to auction.

**Disposal of Assets at Less than Market Value.**

In certain circumstances the disposal of assets at less than market value may be appropriated. For example the disposal of historic buildings where the overriding objective should be to obtain the best return consistent with the Tanzania disposal policies on the protection of historic building and areas.

And normally, tenants of houses owned by the Tanzania Government and surplus to requirements should be offered the opportunity to purchase the property on the same terms and conditions.

**Trade-in;**

May be used where the trade-in of surplus assets to offset the purchase price of new items provides a convenient, economic and efficient way of upgrading equipment. Notwithstanding subregulation (1), trade-in shall not be used where it prevents the operation of open and fair competition or where it reduces the value for money in a procurement process. Trade-in shall not be used where factors other than price have to be taken into account in the disposal process.

**The disposal process under sale to public officers:**

Shall follow the disposal process in

- Divisions III and IV of this Part, as modified by this regulation.
- A submission to a contracts committee for sale to a public officer shall be made using DPA Form 103 in the Ninth Schedule to these Regulations.
• A public officer involved in initiating the disposal process, valuations or managing the disposal process shall not participate as a bidder.
• Assets shall not be grouped in lots, but sold as separate items, except where-
  • A group of items is of a very low value;
  • A group of items form a natural set; or
  • The items would have no value or a lower value if sold separately.
• A public officer shall not be permitted to purchase more than one similar item under a single disposal process.
• A bid shall be solicited by the publication of a non-public invitation notice, indicating that a public officer interested in bidding may obtain the solicitation documents from a procurement and disposal unit.
• A non-public invitation notice shall be displayed in accordance with regulation 319(4).
• The advertising period for sale to public offices shall be at least four working days.
• Solicitation documents shall be drafted in accordance with regulation 318 and shall not be sold.
• The bidding period for sale to public officers shall be ten working days.
• A procuring and disposing entity shall request for written sealed bids from a public officer.
• Evaluation for sale to a public officer shall be based on price only.
• Notwithstanding subregulation.
• An evaluation committee shall consult the Authority's register of sales to public officers, prior to recommending award of contract, to verify that the best evaluated bidder is not purchasing the asset for business or commercial use.
• Where the best evaluated bidder is judged to be purchasing the asset for business or commercial use, the evaluation committee shall report this to the contracts committee and undertake the same check on the second best evaluated bidder.
• A post-bid negotiation shall not be permitted.
• Contract award shall be by a decision of a contracts committee in response to a recommendation from the procurement and disposal unit.
• Contract placement shall be by issue of a contract to the successful bidder.
• An accounting officer shall forward to the Authority, within seven working days of the contract award, a copy of-
  • All bids received;
  • The evaluation report; and
  • The contract awarded.
• The Authority shall maintain a register of all sales to public officers, which shall include for each contract at least-

(a) the name of the public officer;
(b) the date of the disposal contract;
(c) the type of asset sold; and
(d) any other relevant information.

According to the Public Finance Act and Regulation 2001: 246 (i) Further more require a board of survey to check the stock holding of stores if stores contain exceptional valuable or attractive items. The same Regulation also requires those stores, vehicles, plants, have reached the end use of their useful life or are beyond economical repair or are unserviceable or have became redundant, through obsolescence to be retained until sufficient quantity has accumulated to merit the convening of Board of condemnation to inspect them.

According to the Public Financial Act and Regulations 2001
States that when assets/material become out of fashion, Redundant stocks, surplus materials obsolete, obsolescent, scrap or waste must be condemned written off and disposed off. The aim of disposing off the assets it to capture the economic value that the material have. To capture this economic, value all disposed materials must be done effectively.

According to the Public Finance Act and Regulations 2001: 239
Requires Accounting officer/Permanent Secretary I of a particular Ministry or institution) to appoint a Board of survey or independent stock verifier to verify/inspect the stock holding of public stores at least once a year. The aim of this exercise is to reveal if there is any loss to be revealed, to reveal stock balance and also to reveal stocks which are unserviceable, obsolete, redundant etc.

And Regulation in section 252 (i) empowers Accounting officer with authority to write off minor items of stores. But the Accounting officer have no power to appoint a board of condemnation rather he or she is required to submit a list of those items to be disposed off to the Accountant General with request that Board of condemnation be appointed to inspect the stores and make recommendation as to their condemnation and disposal.

**Destruction or Dumping**

Any item deemed to have no value, to be unserviceable and any equipment beyond economical repair may be destroyed or dumped in an appropriate manner. Unserviceable equipment beyond economical repair and having no scrap value should be certified as such by the head of department or portfolio on an equipment write-off form which is to be made by the senior facilities officer for the goods to be dumped in an appropriate manner.

**Disposal of Assets at Less than Market Value.**

In certain circumstances the disposal of assets at less than market value may be appropriated. For example the disposal of historic buildings where the overriding objective should be to obtain the best return consistent with the Tanzania disposal policies on the protection of historic building and areas. And normally, tenants of houses owned by the Tanzania Government and surplus to requirements should be offered the opportunity to purchase the property on the same terms and conditions as would apply to a right to buy and purchase from local authorities.

However, the extent to which assets are disposed of at less than market value (or rented out or leased at concessionary rates) would constitute a gift and be subject to
the procedures described in the section of the PPA on gift. There may also be VAT implications for the recipient which should be considered. Any contribution towards the cost of an asset transferred to a sponsored body should be made by means of an increase in the agreed resources and capital budget and in the related grant in aid (which would be subjected to Budget Act Authority) and not through transfer at concessionary price. Loss on disposal that is the extent to which the proceeds from a disposal were less than the net book value of the asset would be charged on the resource budget.

Sale at a negotiated Price

In exceptional circumstances, approval may be given by the executive director of financial services for an item to be sold at a negotiated price. Exceptional circumstances may include:

A piece of equipment is no longer required by the ministry, the application for use of the equipment is extremely rate and there is therefore no realistic market; costs of advertising on a broad basis will be extremely high, and an attractive offer is submitted by another institution or organization involved in the same applications. A formal written approach may be made to the ministry by a charitable community services or education organization regarding this possibility of supply and payments for the particular surplus or obsolete equipment.

The approving officer is to satisfy himself or herself that the negotiated prices are reasonable and where possible equal to, or better than, recent prices obtained for similar goods by auction or tender.

According to IFRS of 2004,
If the sum of all estimated future cash flows is less than the carrying value of the asset, then the asset would be considered impaired and would have to be written down to its fair value. (International Financial Reporting Standard (IFRS) of 2004) In other words such assets may be long lived assets or asset group which exceeds its fair value and is non-recoverable.

**Value for Money Disposal**

Value for money disposal can be achieved through the following:-

- Encouraging competition by ensuring non-discrimination in not disposal and using competitive procurement processes.
- Promoting the use of recourse in efficient, effective and ethical manner.

- Making decision for disposal of assets/procurement of assets in an accountable and transparent manner.

In order to be in the best position to determine value for money when conducting a disposal process, requests documentation need to be specified and logical, clearly articulated, comprehensive and relevant to the conditions for participations and evaluation criteria which will enable the proper identification, assessment and comparison of the costs and benefits of submission on a fair and common basis over the whole disposal cycle.

Requirements for determining value for money when conducting assets disposal process:-

- The maturity of the market for the property or services sought.
- The performance history of each prospective supplier’s buyer.
- The relative risk of each proposal.
  The flexibility to adapt to possible change over the life cycle of the property or services.
- Financial considerations including all relevant direct and indirect benefits and costs over the whole disposal cycle.
- The anticipated price that could be obtained or cost that may be incurred at the point of disposal, and the evaluations of contract options (for example contract extension options).
Purchasers are responsible for ensuring that they comply appropriately with legal obligations and that staff involved in disposal processes abide by those obligations.

**Assets and (2) Fixed Assets.**

Current assets represent all items that can be convertible into cash for example, inventory, account renewable and prepaid rents. Fixed assets are those items that are generally not held for resale purpose. This includes machinery, real estate and plants.

**2.5 Conceptual Frame Work.**

From the literature reviews, it has been noted that, good education level regarding disposal of assets, adequacy records and modern technology applied in disposal exercise has direct relationship with efficient disposal of public assets which results into achievement by ensuring value for money disposal in public agencies.

Also the literature reviews, it has been noted that, staff training on disposal, efficient stock taking, proper recording of equipment, inventory control techniques of assets, as well as following of procurement regulations on disposal has direct relationship with efficient disposal of public assets and control.

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**Figure 2.1: Conceptual frame work**

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education level regarding disposal of assets to staff</td>
<td></td>
</tr>
</tbody>
</table>
Dependant variable

- Adequacy records of assets
- Clear policies for disposing of public assets
- Accurate data for all obsolete items, obsolescence and other scrap materials
- Modern technology

Efficient Disposal of Public Assets

Value for Money Disposal in Government Agencies

Source: The researcher 2012

Interpretation
In that case above table shows that the Government policies, Acts of parliament like the PPA No. 21 of 2004 and Regulations 2005 including their amendments and charges are statutory.

They must be adhered to by all citizens, public and private sectors accordingly so that it can allow better practices in disposal of public assets.

In the conceptual framework of this study, the researcher considered government policies and Acts of parliament to constitute the independents variables and the consequences of them to be the dependents variables as shown in the model.

In this study, formulation of criteria for declaring public assets for disposal and making decisions on how disposal of public assets outside the tender system like it was done for some public assets cars and houses in recent years.

**Constitute the Dependent variables.**
For this study, the relationship between the independents and dependent variables is asymmetrical and silence

The gap of details in the Act concerning disposal of assets in the public sector made the researcher conduct this study to reveal how:-

- The period of time required to elapse before assets are declared eligible for disposal on reasons of obsolesces dormancy and serviceability.
- The maximum period of time required to elapse to avoid costs of prolonged storage of unwanted public assets.
- Contribute to challenges associated with disposal of public assets.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
Chapter five outlines the research design and methodology. It contains the area of the study, design of the study, type of data and information required, data collection methods, target population, sample size, sampling techniques and data analysis and presentation.

This is a systematic application of relevant methods and techniques by which the researcher proposed to undertook the study to solve the research problem. Research methodology is not only the methods and techniques used in undertaking the study but also the logic behind them which will enable the researcher collect the relevant data, analyse the data and draw inferences from the achieved data.

3.2 Research Paradigm (Philosophy)
Research paradigm is defined as an approach through which research is undertaken (Churchill et al 1984). According to (Churchill et al 1984) there are two paradigms of doing research namely

Positivism
Which is based on statistical -physical measurements conducted by natural scientists is a natural science approach of undertaking the study.

Phenomenology
This is based on social science approach in that it is a function of particular set of circumstances and individuals understanding of the questions concerned with the study.

Liaison is a combination of the two paradigms above.
3.3  Research Design
According to (Remenyi, 1998) the topic to be researched is one of the primarily
drivers in the choice of methodology. Since case studies have been increasingly as a
research tool (Hame, 1992, Rerry & Kraemer 1996) the researcher is going to use
Case study research design. In this sense the case study is not either a data collection
facts or merely a design features alone (Stocker 1991) but a comprehensive research
strategy. As related but important note, the case study strategy should not be
confused with “qualitative research” (Denzin & Lincoln 1994). Unlike qualitative
research case studies can be based on any mix of qualitative and quantitative
evidence (Jacob, 1987, Lincoln & Guba 1986).

The following are the reasons behind choosing the case study.
(i) It is flexible in respect to data collection methods, it permit the use of
different data collection methods like observation, questionnaires, interview
and documentary review.
(ii) It is fairly exhaustive method which enable the researcher to study deeply and
thoroughly different aspects of the phenomenon
(iii) It saves both time and costs.
(iv) It can be used jointly with other design, example survey design.

3.4  Population of the study
The target population comprised of 60 units of TIA staff at Dar es Salaam.

3.5  Sample and Sampling Techniques
Sampling techniques is a procedure a researcher uses together people, places or
things to study. It is a process of selecting a number of individuals or objects from a
population such that the selected group contains elements representative of the
characteristics found in the entire group (Orondo and Kombo, 2002). The techniques
can be grouped into probabilistic and non probabilistic.
3.5.1 Sample and sample size
The researcher is going to use a sample of 18 people out of a population of 60% personnel of TIA headquarter, the researcher will prefer to use such kind of Sample due to limited time fund as well nature of the study which need in depth investigation of the particular phenomenon.

Table 3.1: Population and Sample size

<table>
<thead>
<tr>
<th>S/N</th>
<th>Category</th>
<th>Population (Sampling frame)</th>
<th>Sample size</th>
<th>Sample %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Store staff</td>
<td>3</td>
<td>3</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>Accountant Staff</td>
<td>8</td>
<td>6</td>
<td>38%</td>
</tr>
<tr>
<td>3</td>
<td>Stock taking employees (Staff)</td>
<td>32</td>
<td>28</td>
<td>75%</td>
</tr>
<tr>
<td>4</td>
<td>Administration Staff</td>
<td>7</td>
<td>5</td>
<td>50%</td>
</tr>
<tr>
<td>5</td>
<td>PMU Staff</td>
<td>3</td>
<td>2</td>
<td>75%</td>
</tr>
<tr>
<td>6</td>
<td>TIA Tender Board Members</td>
<td>8</td>
<td>8</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>60</td>
<td>52</td>
<td>60%</td>
</tr>
</tbody>
</table>

Source: Research Field Data, 2012

3.5.2 Sampling procedure
The researcher will use probability sampling i.e. random sampling procedure to obtain a representative sample of respondents from the universe – sampling frame.
It is considered that 60% of the population will constitute a sample of respondents whom the researcher will work with in collection of information efficiently, economically and within ethics of conducting an unbiased research study.

3.6 Types of data and data collection.
Data are facts, figures and other relevant materials past and present serving as bases for study and analysis (Krishna swami 1993: 198) there are two types of data, primary data and secondary data. The researcher is going to use both primary and secondary data during his research.

3.6.1 Types of data
Always the data to be used classified in two types such as:-

Primary data
Primary data are those which was collected by the researcher himself from the field.

Researcher is going to obtain them from inventory control personnel through interview questionnaires observations as well as documentary evidences. This data was collected by the researcher from members of staff at TIA, users of services of TIA (Students/Customers).

The Primary data was used in arriving at the conclusion of the study and on the basis of the conclusions; recommendations for actions to be taken by TIA, government assets disposal policy makers and decision makers in the public sectors were made by the researcher.

**Secondary data**

Are those data obtained from literature sources? Are the one that have already been collected by other people for some other purposes, this is second hand information, secondary data will include raw data and published one i.e. Some data collected and stored by organizations, will include those from official documents records, reports, file, various journals, news paper and internet.

Secondary data was used in the selection of respondents for the study. Available staff records enable the researcher to categorise the population under study so that questionnaires could be given to TIA staff.

Reports of previous researcher at TIA and office report missed information about challenges associated with disposal of assets at TIA. Also were no internal records, journals or audit report which motioned fixation of criteria for disposal of assts. The researcher used this lack of secondary data as a gap in research studies.

**Note:**

In business research, data may be categorised according to source from which they obtained. This may be primary or secondary. Secondary data are data stored for the purposes other than for the immediate study, while primary data are data obtained
first hand specifically for the purpose of the study. This study utilized both primary and secondary data. Primary data were collected from TIA-DSM and its functional and academic departments. The secondary data were obtained from TIA official documents such as Tender Board resolution, PMU activities, and Audit report as well as from previous researcher’s dissertations and journals.

3.6.2 Data Collection procedures and approaches.
For the purpose of this researches study mainly primary data was used to arrive at the conclusions of the study. Secondary data concerning challenges met in disposal of assets at TIA were yet to be compiled.

Methods
Method of collecting primary data involved the use of questionnaires and interview. The method of collecting primary data was by recording answerers of respondents to questionnaires and interview.

Questionnaires
Special covering letters were given to selected respondents requesting them to answer questions the written questions were used as influences for collecting data the questionnaires contained clearly worded written questions. Some questions were close ended and the some were open ended the researcher administered these questionnaires to the respondents personally as a means to ensure that reliable respondents participated in the study.

Interview schedules.
As some respondents were too busy to answer questions in writing the researcher read out the questions to them at their places of work. The researcher recorded their answers the space provided on the question papers.

For convenience the researcher used similarly written questions for both interview and questionnaires as instruments for collecting data.

Approach
The researcher used a sample of respondents to answer structured questionnaire and interview questions. The structured questions were open ended. The method of collecting secondary data covered review TIA reports about assets already disposed. This has enabled the researcher to gain knowledge about challenges encountered in the process of disposal of public assets. Reading guidelines/law which spell out criteria for declaring assets for disposal. For example, service-life, aesthetics, performance and obsolescence.

3.6.3 Achieved data
The achieved data indicates how the researcher fulfilled what he intended to collect from the population. The researcher managed to achieve both qualitative and quantitative data as intended.

3.6.4 Description of achieved data
The researcher managed to get a sample of 25 representatives (respondents) out of 25 employees (sampling frame) of the various departments of TIA Dar es salaam head quarter. Out of 25 only 15 which is (60%) of the intended sample responded. This is reasonable percentage hence the researcher used it for collection of information enough to arrive at conclusion of the research study.

4.0 Reliability and Validity of measurement
3.7 Reliability and Validity of Data/Research
3.7.1 Reliability
This is the extent to which an experiment, a test or any measuring procedure gives the same results on repeated trials. A question asked here or at any other place, and even at different times, should get consistent results with the accuracy and precision of the measuring procedure used in the research study.

3.7.1 Validity
Shows the degree or extent to which an instrument measured what it is supposed to measure (C.R Kothari 2004). The researcher used clearly worded questions as
instruments of measuring answers of respondents with reference to research problem and research questions.

The researcher avoided source of error by taking into account factors such as getting good sample selection, coding of questions, setting questions simple and straight, also considering the length of questionnaire.

3.8 Data Management and Analysis

3.8.1 Management of Data

The researcher applied phenomenology as appropriate philosophy in conducting the study.

Due to the nature of the philosophy and researcher design applied in this study, all data collected was in the form of description of how respondents perceived questions on either questionnaire or interview.

Data collected was presented in tabular form on paper, sorted and edited such that only data that was relevant to the objective of the study were used to show challenges associated with disposal of public assets.

Data collected was presented in tabular form and analyzed such that challenges associated with disposal of public assets were listed for knowledge.

The data was inspected and cleaned to ensure that they conform to the objectives, hypotheses of the study and that they are proper answers to the research questions.

3.8.2 Explanation of how data were analysed

The researcher used qualitative analysis method in analyzing the achieved data. By putting the data in tabular form, the data showed respondents’ perception of the questions on the questionnaires.

Analysis of data was done for every answer on the questionnaire and interview. Answer frequencies and percentages of occurrences of answers in the table will
confirm the challenge. The researcher applied qualitative analysis because the research design involved description of how respondents perceived the questions about what is and what is not a challenge associated with disposal of public assets.
4.1 Introduction
The aim of this chapter is to present, analyze and discuss the research findings obtained from the field (TIA- Dar es salaam) using different instruments namely: questionnaire, Interview and documentary methods. The chapter also provides answers to the research questions, which were formulated to assist in achieving the objectives of the study.

In order to investigate challenges associated with the disposal of public assets, the researcher has used different tables and diagrams to show that. All the data collected to answer the research questions, which originated from the statement of the problem in proposal and in this report.

4.2 Data analysis and interpretation
General Question
Frequency distribution table were used to show a record of the number of times a response occurred from the sample. The researcher also used percentage to compare responses from different categories.

Table 4.1. Below shows that 80% of the sample size equivalent to 12 respondents replied to questionnaires and interview. The twelve respondents are quite satisfactory for representation of the population; Based on the percentage of the respondents (80%) the information and data collected by the researcher are valid and reliable.
Table 4.1: Respondents who participate in the study

Actual Number of Respondents who participated in answering Researches question

<table>
<thead>
<tr>
<th>S/N</th>
<th>Category of Respondents</th>
<th>Sample Size</th>
<th>Actual Respondents</th>
<th>% of Actual Respondents out of sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Store Staff</td>
<td>3</td>
<td>3</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>Accountant staff</td>
<td>8</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Stock taking employees (Staff)</td>
<td>32</td>
<td>32</td>
<td>100</td>
</tr>
<tr>
<td>4</td>
<td>Management staff</td>
<td>7</td>
<td>7</td>
<td>100</td>
</tr>
<tr>
<td>5</td>
<td>PMU staff</td>
<td>3</td>
<td>3</td>
<td>100</td>
</tr>
<tr>
<td>6</td>
<td>TIA Tender Board Members</td>
<td>8</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>60</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2012

Findings Based on the Research Questions

The following is the analysis of the findings by which the research tested to the research questions.

Analysis of the data concerned with the procedures of disposal of public assets, a case study of TIA Dar es Salaam, revealed the following:-

Analysis of findings based on main question.

The question read, what are the challenges associated with disposal of public assets in government executive agencies.

Table 4.2 Challenges Associated with Disposal of Public Assets in the Public sector

<table>
<thead>
<tr>
<th>S/n</th>
<th>Respondents</th>
<th>Question Category</th>
<th>Response in</th>
<th>Percentage</th>
</tr>
</thead>
</table>

49
<table>
<thead>
<tr>
<th>Number</th>
<th>CATEGORIES OF CHALLENGES</th>
<th>FREQUENCY OF OCCURANCE</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Store Staff</td>
<td>Carrying cost</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Time factor</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Changes of Govt policy</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Accountant Staff</td>
<td>Carrying cost</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Time factor</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Changes of Govt policy</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Stock taking employees</td>
<td>Carrying cost</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(staff)</td>
<td>Time factor</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Changes of Govt policy</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Management staff</td>
<td>Carrying cost</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Time factor</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Changes of Govt policy</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>PMU staff</td>
<td>Carrying cost</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Time factor</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Changes of Govt policy</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>TIA Tender Board Members</td>
<td>Carrying cost</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Time factor</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Changes of Govt policy</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>22</td>
</tr>
</tbody>
</table>

Source: Field Data, 2012

Table 4.3 Data Coding (Grouping into Categories)

<table>
<thead>
<tr>
<th>CATEGORIES OF CHALLENGIES</th>
<th>FREQUENCY OF OCCURANCE</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying Cost</td>
<td>5</td>
<td>40.4</td>
</tr>
<tr>
<td>Changes of Government</td>
<td>6</td>
<td>40.6</td>
</tr>
<tr>
<td>Policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time factor</td>
<td>4</td>
<td>19</td>
</tr>
<tr>
<td>TOTAL</td>
<td>15</td>
<td>100</td>
</tr>
</tbody>
</table>

SOURCE: FIELD DATA 2012

NB: Interpretation of the findings based on the table 4.1 and 4.2 above.

From table 4.1 and 4.2 findings show that:
- Carrying cost contribute 40.4% of the challenges
- Changes of Government Policy contribute 40.6% of the challenges
- Time Factor contributes 19% of the challenges associated with disposal of public assets.
Figure 4.1: Time, Carrying costs, Changes of Government Policy

The bar chart below shows the percentage by which time; carrying costs and changes of government policy play their parts as challenges associated with disposal of public assets.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Factors</td>
<td>19%</td>
</tr>
<tr>
<td>Carrying cost</td>
<td>40.4%</td>
</tr>
<tr>
<td>Changes of Government Policy</td>
<td>40.6%</td>
</tr>
</tbody>
</table>

SOURCE: FIELD DATA 2012

Interpretation
Time factor
Some goods and materials become obsolete while still in TIA Stores, others become surplus and scrap which still in the stores. There is no specified time duration after which materials in stock are declared dormant or obsolete. Even those declared to disposal, time duration before actual disposal is not specified. Time factor contribute 26% as a one among the challenges associated with disposal of public assets.

Carrying Costs
Assets declared for disposal remain under custody and care of TIA indefinitely and thus congests the stores. The cost of keeping the assets is the responsibility of TIA. This contributes 33.3% of the challenges associated with disposal of public assets.

Changes of government policy
The PPA No. 21 of 2004 states that public assets disposal committees and survey boards are to declare assets for disposal 55.6% of respondents said the Act is silent on details of criteria for disposal of assets. This accounts for 41.7% of the challenges associated with disposal public assets.

Analysis based on second research question
How is the change of government policy a challenge associated with disposal of public assets in a public sector like TIA?

This question was answered by different personnel selected randomly from six departments. Most of them responded affirmatively that the change of government policy is associated with disposal of public assets and TIA which is a public sector is concerned with the challenges due to the following reason:

Disposal of assets is done through Tendering procedures which take long time to accomplish. The result is that some of commodities deteriorate before actual disposal and carrying costs become a burden to the owner of the commodities.
Questionnaires were given to (12) respondents different departments.

**Analysis Based on Third research question**

The question read. In what way may lack of clear and detailed guidelines for disposal of assets as stipulated in the PPA No. 21 of 2004 Reg. 2005 be a challenge associated with disposal of public assets at TIA?

9 Members supported statement that there is lack of clear and detailed guidelines for disposal of assets as stipulated in the PPA No. 21 of 2004 Reg. 2005. This is a challenge associated with disposal of public assets at TIA while 3 members said “NO”.

**Table 4.4: Lack of clear guidelines for disposal of Assets**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Respondents by Category</th>
<th>Total respondents in number</th>
<th>Respondents Views</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>No. of responses with YES</td>
</tr>
<tr>
<td>1</td>
<td>Store staff</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Accountant Staff</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Stock taking employees (staff)</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Administration</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>PMU Staff</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>TIA Tender Board member</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>10</td>
<td>9</td>
</tr>
</tbody>
</table>

**SOURCE: FIELD DATA 2012.**

NB: Interpretation of the findings based on table No.5 above

From the table No.5 above 74.7% of responses said “YES” there is lack of clear and detailed guidelines for disposal of assets as stipulated in the PPA No. 21 of 2004 Reg.2005. This is a challenge associated with disposal of public assets at TIA while 24.9% of respondents said “NO” Meaning that there are enough detailed guidelines in the Act concerning disposal of public assets. The histogram below, on the diagram No. 2 clarifies the data of the above third research question.
Figure 4.2: Lack of clear guidelines for disposal of Assets

Analysis Based on Questionnaire
Question number 8 and Question number 9

Interpretation

SOURCE: FIELD DATA 2012
It is government policy that public assets disposal committees and survey boards declare assets for disposal.
44.4% of respondent affirmed that assets disposed of are sold to same staff or buyers known of the committee members which 55.6% said the assets are sold to anybody.

Table 4.5: Responses and the respective percentages

<table>
<thead>
<tr>
<th>RESPONDNETS</th>
<th>PERCENTAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>55.6%</td>
</tr>
<tr>
<td>NO.</td>
<td>44.4%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
</tr>
</tbody>
</table>

The diagram below shows % the null and alternative hypotheses through analysis of answers of respondents (Question no.. 8 & Question no. 9 of Questionnaire).

Figure 4.3: Bar chart to show respondents answers to Question no.8 & Question no. 9

PERCENTAGES
90
Interpretation

56.6% of the population agreed that there are challenges.

CHAPTER FIVE
CONCLUSION AND RECOMMENDATIONS
5.1 Introduction
The General objective of the study was to determine the challenges associated with disposal of the public assets in the government executive agencies, TIA being a case study of this research.

Researcher developed General and specific questions in order to get findings which were used to show the existence of challenges faced by TIA in disposal of its fixed assets.

The researcher managed to obtain descriptive data from 80% percent of respondents who stated that there exist positively to the challenges associated with disposal of assets at TIA and the researcher has generalized these challenges exist in all executive agencies in Tanzania. The researcher used qualitative method in analyzing data.

The results showed that carrying costs, change of government policy in disposal and time factor were the challenges associated with the disposal of public assets through contributing 33%, 41.66% and 25% to the challenges respectively.

5.2 Conclusion about research objectives.
During the study the following research objectives were established:
(i) To determine the challenges associated with disposal of public assets in the government Executive like TIA.
(ii) To determine whether change of government policy is a challenge associated with disposal of public assets at TIA.
(iii) To find out whether lack of clarity and details of guidelines for disposal of all public assets in the guidelines for disposal of all public assets in PPA no.21 of 2004.

Regulation 2005 is a challenge associated with disposal of public assets.
After analysis the researcher came to realize that, the carrying cost, time factor and change of government policy were the attributes to the challenges associated with disposal of public assets

According to findings, TIA has high cost of managing disposal of assets because assets become obsolete and due to factors such as the waiting time for accumulation of disposable items to reach the required level. Some get damaged and some deteriorate and become valueless. Also the deficiencies in the public procurement act which has not stipulated clearly the criteria, procedures and status under which public assets can be condemned for disposal contribute much to the challenges associated with disposal of materials, automobile parts etc at TIA.

5.3 Recommendations

After the study and after editing the findings, analysis proved that TIA faces many challenges in disposal of public assets. These challenges should be worked upon as soon as possible.

Researcher recommends the following in order to improve if not eliminate all of these challenges.

- The management of TIA should issue policies on how inventory should be managed so as these policies should guide decisions and conduct of staff dealing with management of stocks they should be clearly stated and printed to facilitate easy readings and understanding.
- Carrying costs of stock items/assets are variable so, disposal of them should be guided by public low not by TIA internal policy which is complicated by human interests. E.g. Disposal of car etc.
- There should be also a policy of detecting non moving stocks because this leads to holding of many stocks that may cause shortage of storage space, deterioration of stocks hence increase cost to the organizations.
- The management should be able to decide and use different control methods like.
  - Standardization and variety reduction
- Use stockless buying technique.
- Classification of the stock: i.e.
  - ABC analysis
  - FNS analysis
  - Physical stock count

  Modern technique should be employed for proper stock management and conduct the inventory costs; but before purchasing these new technologies the management should plan on how to train their workers on how to use the new technology techniques.

  There should be departmental communication and integration between purchase personnel and the storekeeper. This is possible if the management introduces the team working system where by every department will collaborate with another department. Through this one department can see the necessity of another department. But also communication can be built through relationship whereby the management through social gathering can make all of the workers to sit and eat at the same table.

  The management should be able to make decision on how to order, how much, when and where to order. Through this the organization can be able to keep only safety stock in order to avoid frequent stock out but with consideration of economy.

  TIA and its four campuses should consider disposal of the obsolete stocks by using the most profitable way/methods like.
  - Sell to employees
  - Give to charitable organization
  - Sell to merchant or dealer
  - Recycle
  - Dismantle for spare parts

  Politics should not guide procurement. All procurement should be done as per plan, not as per somebody’s preferences.

  Maximizing location Record management in order to minimize the issue of buying while they are plenty in the store house. Inventory records should not be left to
the storekeeper alone, the records should be checked by the in charge of the department.

- Training of new technology to the procurement officers so that they can go with fashion. In order to reduce the circumstances of having obsolete stock,
- TIA should insist on training, inventory record management, and introducing inventory control policy.

5.4 Synthesis from the findings
The findings of the study proved that there are challenges faced by TIA in disposing public assets. Through the findings, the researcher realized that poor policies and unclear procedures for disposal pose challenges on ensuring value for money in the course of disposing public assets.

The findings clearly show that challenges associated with disposal of public assets are attributed to time taken for items in the stores to receive required action, costs involved in keeping stocks – carrying costs and government policies which state or don’t state clearly what action to be taken in disposing of the assets in stock. Also no clear criteria for condemnation which will exclude human interests in the assets.

5.5 Contribution to knowledge.
To the Researcher
The study has revealed to TIA top management that training should be given to all staff regularly to make them familiar with new procedures and policies regarding disposal of public assets.
Through this study the researcher gained experience of how to use research methodology practically.

5.5.1 Implication to policy maker.
Inferences from the findings imply that:
• Policy maker should formulate policies which will ensure compliance with economical and beneficial disposal activities to the TIA: the present disposal policy should be reviewed and improved in order to ensure value for money since the existing one contains proven shortcomings. Also policy makes should accept views and suggestions about good assets disposal criteria.

• Policy makers should prepare public assets disposal appraisal questionnaires which will be answered by implementers of government public assets disposal polices to assets rate of reduction of challenges attributed changes of government policies annually.

5.5.2 Implication to decision maker.
Administration should introduce good criteria and procedures of disposal of Public assets.

The findings have made it easy for decision makers to control the challenges associated with disposal of assets through proper timing of disposal activities, government policies and storage costs which (are economical and efficient) aim at realization of value for money.

The study revealed that 80% the population under study confirmed existence of challenges associated with taciturnity (Briefness) of the PPA No. 21 of 2004, regulation 2005, concerning criteria and other details governing disposal of public assets.

Due to this assets disposal/condemnation committee members will learn to be cautious and patriotic when making decisions about which assets are fit for disposal in the public sector.

5.5.3 Area for further study;
The study didn’t cover all area of TIA due to limited time and fund. Researcher advises other researchers to work father on this challenging topic to help our agency to ensure value for money from disposal of public assets. The study suggests the following area for further study:
The study suggests the following area should be given attention.

(a) Assessment of the benefits of proper disposal of public assets in government parastatals and agencies in Tanzania.

(b) Assessment of financial implications on inefficient disposal of public assets

(c) Assessment of impact of PPA no21 of 2004 and its regulation of 2005 on disposal of public assets.

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