

**THE IMPACT OF INSUFFICIENT IMPLEMENTATION OF  
LOCAL GOVERNMENT AUTHORITIES' (LGAs)  
BUDGETARY PLANS**

**By**

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**A Dissertation Submitted in Partial Fulfillment of the Requirements for Award of  
the Degree of Master of Science in Accounting and Finance (MSc A&F) of  
Mzumbe University**

**2013**

### **CERTIFICATION**

We, the undersigned, certify that we have read and hereby recommend for acceptance by Mzumbe University, a thesis entitled **the impact of insufficient implementation of Local Government Authorities (LGAs) budgetary plans**, in partial/fulfillment of the required for award of Master of Science in Accounting & Finance of Mzumbe University.

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## **DEDICATION**

This dissertation is dedicated to my beloved wife Semeni Manyama Misana, my daughters Grace, Anastazia and Juliana and my beloved mother Anastazia Christopher Mashekeja, for their support , encouragement and other aspects to make this work a success.

## **ABBREVIATIONS**

|            |                                                                      |
|------------|----------------------------------------------------------------------|
| CFS –      | Consolidated Fund Services                                           |
| CFR-       | Council Financial Report                                             |
| DPs –      | Development Partners                                                 |
| IMTC –     | Inter-Ministerial Technical Committee                                |
| LAFM-      | Local Authority Financial Memorandum, 1997                           |
| LGAs-      | Local Government Authorities                                         |
| LGCDG-     | Local Government Capital Development Grant                           |
| MoF –      | Ministry of Finance                                                  |
| MTEF –     | Medium Term Estimates Framework                                      |
| N/A –      | Not Applicable                                                       |
| NAO -      | National Audit Office                                                |
| NMSF -     | National Multi Sectorial Strategic Framework                         |
| OC –       | Other Charges                                                        |
| PE –       | Personal Emolument                                                   |
| PHSDP-     | Primary Health Service Development Programme                         |
| PMO-RALG – | Prime Minister’s Office-Regional Administration and Local Government |
| RS -       | Regional Secretariat                                                 |
| EPA-       | External Payments Account                                            |
| OECD-      | Organization for Economic Co-operation and Development               |
| DC-        | District Council                                                     |
| MC-        | Municipal Council                                                    |
| Unicef-    | United nations children’s fund                                       |

## **ABSTRACT**

This study focused to exploring the impact of insufficient implementation of Local Government Authorities (LGAs) Budgetary Plans along Mara Region. Specifically the study aimed at realizing the following objectives; To identify and analyze the causes of insufficient implementation of LGAs budgetary plans. To study and identify impact that this insufficient implementation has in the society. To study and analyze issues should be done to improve the LGAs budgetary plans implementation.

The statement of the problem of the study was ‘there are series of programmes and projects that are not completed as planed as being reported by several stakeholders of LGAs in Tanzania due to delay in fund release, fund note yet transferred, staff capacity to implement the LGA plans, transferred/collected fund to LGA not fully utilized and inadequate infrastructures available to the LGA’. Basing on comments from different reports as stated above, the researcher realized that there is need to conduct a study choosing Mara region as the study area.

This study employed the survey study design which was conducted to Mara Region LGAs, involving 85 respondents of whom 30 respondents were from LGAs head office including head of department from Finance and Policy and Planning, and 55 respondents were village and ward executive officers. Questionnaire and documentary reviews were techniques used to collect information from the field.

Most of the study findings were as following, delay of fund transfer from Central Government to LGAs for some programmes, fund for some programmes not being provided in full as estimated in the annual LGAs budgetary plan, under estimation of the project costs that do not meet the actual cost of some projects being planned and some community did not made their contributions on time.

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## **CHAPTER ONE**

### **INTRODUCTION AND BACKGROUND TO THE STUDY**

#### **1.1 The Meaning of Local Government Authorities (LGAs)**

Local Government Authorities (LGAs) in Tanzania established under the Local Government Authority Act of 1982. In the simplest language, Local Government means management of the local affairs by the people of a locality. According to Samwel, et al (2009), locality stands for a restricted area like a village, a group of villages, a town or a city. A town or city, a village or a district are allowed by law to administer their local services through own direct efforts or their local authority in a manner suiting local needs peculiarities and wishes. In essence, it enjoys an autonomous status which entitles it to take certain legislative, administrative and financial decisions including budgeting though under the conditions and within the limits of law.

LGA's has historically provided services of importance to its citizens in rural and urban areas in Tanzania. These services include provision of basic amenities like water, roads, health facilities, education, etc. Of late, the role of Local Government in providing these services has attracted public concern. Furthermore, it has generated national crisis as a result of increasing rate of poverty among the rural people. Some scholars view this development to poor budgeting and implementation while others associate it to the federal and state government's interference. In this work, we are focused on budgeting as it relates to the LGA's in Tanzania.

Local Government Authority follow among three levels of government found in The United Republic of Tanzania, these are Central Government, Regional and Local Government Authority and the Village Government. Major aims of establishing Local Government Authorities were to bring the services near to the Citizens of United Republic of Tanzania.

LGA's operations of duties are centralized basing on sectors, which are made on the form of departments. The main departments found at every LGA's are Administration and General, Planning and Economy, Agriculture and Livestock, Water, Work, Primary Education, Secondary Education, Finance, Health and Community Development and Social Affairs.

Local Government Authorities categorized under City, Municipal and District Councils. Areas of operations for every LGA refer to the boundaries that are specified during the establishment of respective LGA and are made up by administrative division and each division made up with wards and every ward have respective villages. The political leadership of every LGA is headed by the Commissioner and the Accounting Officers of the LGA is Executive Directors, all of them are appointed by the President of the United Republic of Tanzania.

Major duties of the LGA's are:

- i. To provide goods and services on behalf of the Central Government that cannot be provided by private enterprise, or if provided could only be provided inefficiently, these are called public goods.
- ii. To redistribute income (or wealth), or commodities arising from grant provided by Central Government, from Development Partner and own source collections.
- iii. To facilitate implementation of national policies, laws and regulations.

## **1.2 Background**

The insufficient budget implementation refers to undertaking the budget plan to the extent that the actual implementations fail to reach the estimated target. The LGAs budget implementation do not be fully implemented as planned as the result, more programmes does not become completed. The essence of partial implementation of the plan causes government goods and services to be under provided to the community as

planned, hence most of the benefit from the planned programmes are not enjoyed within specified timeframe.

Jewel (2005), categorizes budgets into two and these are; expenditure and operating budgets. Where expenditure budgets are for non-current assets or for projects where returns are expected in future. It is regarded as a long term budget and this is usually a reflection of the strategic plans. It contains items like building, motor vehicles, land and construction of roads among other.

Operating expenditure is the cost of goods and services from which there will be short-term benefit - that is, the services will be used up in less than one year. For example, the payment of staff salaries results in a short-term benefit as salaried employees are paid monthly for one month's work. They could resign, next month, and the LGAs would not have the benefit of their skills anymore. Examples of operating costs are salaries, wages, repairs and maintenance, telephones, Fuel, stationery, medical supplies, capitation to primary and secondary schools, on call allowance, medical and dental refunds, leave travel, moving expenses and others.

The capital budget puts money aside, for planned expenditure on long-term purchases and big investments such as land, buildings, motor vehicles, equipment and office furniture that will be the LGAs asset for more than a year - probably for many years to come. LGAs capital budget will list the estimated costs of all items of a capital nature such as the construction of roads, buildings at head office, wards levels, villages levels, construction of charcodam for human and cattle uses, drilling of wells at villages and purchase of motor vehicles.

Sekna, (2000), details with regard to time for discussion and establishment of the budget, most of the local governments studied do not provide enough time for the legislature to deliberate the state budget and revised local government budgets, which

leads to delays in passing. This clearly reduces the opportunity for local governments to make investments and provide public services.

Based on the report of audits by BPK (the State Audit Agency, in Indonesia), (2008), thirty local governments studied received Qualified Opinions, seven received Adverse Opinions, and four received Disclaimers of Opinion. The result of opinion arising from insufficient implementation of the budgetary plans that leads to affect the goods and services to the community being not fully provides due to improper management of fund and resources.

Amama, (2012), through the Uganda annual government performance report for the 2010/11, state that; primary enrollment dropped for the first time in 10 years, construction of classrooms is behind target, while health facilities remain under-staffed and a declining proportion of the urban population having access to safe water due to population growth. Reports added that the Uganda government's performance was affected by deviations in financial releases away from approved budgets during FY2010/11. It was reported that, 7,897.99bn shillings were released against an approved budget of 7,036.96bn. Public resources amounting to 861.03bn shillings were mobilized outside of the original budget resource envelope, while further 870.35bn shillings were reallocated away from their original planned use.

According to the report issued by National Treasurer of Republic of South Africa, details all 283 municipalities' in 2010/11 budgets against the funding compliance criteria. The report shows that based on the information municipalities presented in their approved budgets, only 123 municipal budgets (or 43 per cent) were appropriately 'funded'. Of the remaining budgets, 90 were unfunded, and for 70, there was insufficient information to carry out the evaluation.

If LGAs budget is unfunded, it is not a credible budget – either the revenue projections are unrealistic, the operating expenditures are too high, or the capital budget is too ambitious. In most instances, there are problems in all three areas. Correcting these problems involves going back to basics – and ensuring that the LGAs only budgets to spend what it will realistically collect in revenue.

Boyle, (2011), points out the problems which put in questions the credibility of the LGAs' approved budgets during implementation period as:

- i. The budgets were over ambitious;
- ii. There were management problems in implementing the budget; or
- iii. The LGAs did not collect the revenue required to fund the expenditure.

The situation in Tanzania reflects that several programmes left unimplemented to LGAs. Basing on the annual report issued by Controller and Auditor General, (2010/11), details a sample of three development and donor funded projects of NMSF, PHSDP and LGCDG showed a slow pace of implementation with large unspent balances of Shs.1,104,364,692 for NMSF (41 Councils), Shs.5,848,929,864 for PHSDP (48 Councils) and Shs.15,541,946,695 for LGCDG (74 Councils).

The underperformance implies that a significant number of planned activities of the same magnitudes were partially or not implemented at all. As such, the earmarked services/benefits that councils intended for the community have been delayed. This may also bring about budget revision in future to accommodate possible price fluctuations due to the effect of inflation.

Section 10 (3) of the Local Government Finances Act No. 9 of 1982 (revised 2000) require all LGA to seek authorization approval on the expenditure that exceed the planed estimate for the respective financial year. Basing on the CAG report provided the result of the test check made on approved budget and actual expenditure disclosed that, 18

Councils had incurred excess expenditure in some items amounting to Shs.24, 880,254,344 over the approved budget of Shs.116, 967,975,198. Expenditure amounting to Shs.4, 673,316,247 in respect of 19 Councils was incurred out of the approved budget without seeking any authorization.

Series of impacts that had been facing the LGAs following improper management and insufficiency implementation of LGAs in Tanzania categorized as: Audit report being provided being unqualified, qualified, adverse and disclaimer opinions. According to CAG report, (2010/2011), below is the trend of Audit Opinions issued to LGAs for the financial years 2007/08, 2008/09, 2009/10 and 2010/11:

**Table 1.1: Audit Opinion Trend from 2007/08 – 2010/11**

| Opinion | Unqualified |    | Qualified |    | Adverse |   | Disclaimer |   | Total LGAs |
|---------|-------------|----|-----------|----|---------|---|------------|---|------------|
| Year    | Total       | %  | Total     | %  | Total   | % | Total      | % |            |
| 2007/08 | 72          | 54 | 61        | 46 | 0       | 0 | 0          | 0 | 133        |
| 2008/09 | 77          | 58 | 55        | 41 | 1       | 1 | 0          | 0 | 133        |
| 2009/10 | 66          | 49 | 64        | 48 | 4       | 3 | 0          | 0 | 133        |
| 2010/11 | 72          | 54 | 56        | 42 | 5       | 4 | 0          | 0 | 133        |

Source: Controller and Auditor General (CAG), General Report on LGAs for 2010/2011.

Other impact arising from insufficient implementation of LGAs budget is the Development partners seizing/reduce provision of fund to the Central Government to facilitate the development programmes being implemented at LGAs levels. According to Policy Brief report, (2012), stated that Corruption scandals like the External Payments Account (EPA) embezzlement, lack of convincing efforts for poverty reduction, negative CAG reports and experiences of public financial management problems combine with harder economic and political times in OECD countries to dent traditional donors' willingness to fund the Government of Tanzania directly.

Another impact is the community moral on corporation to development programmes decrease as time goes on and bring complaint to the government. This result is due to community fails to enjoy the utilization of projects that are being established and not completed on time as specified.

Inadequate provision of goods and services being provided by LGAs on behalf of the central government such as health services, education at primary and secondary schools, water supplies at rural and urban area, agriculture and livestock, land surveys and sanitation services. According to the National Audit annual report of 2010/2011, details 127 LGAs had incurred total expenditure on their day to day activities amounting to Shs.1,978,117,478,839 against total recurrent grants of Shs.2,105,926,241,086 resulting to a balance of Shs.146,774,839,643 equivalent to 7% of the total recurrent grant being unutilized. Also the report provides a trend of unutilized development grants for the financial years 2007/2008, 2008/2009, 2009/2010 and 2010/2011, analysed in the table below:

**Table 1.2: Trend of unutilized development grant from 2007/08 - 2010/2011**

| Financial year | Development Grant received (Shs) | Development Grant spent (Shs.) | Unspent amount (Shs.) | %  | Number of LGAs Involved |
|----------------|----------------------------------|--------------------------------|-----------------------|----|-------------------------|
| 2007/2008      | 270,547,629,434                  | 171,791,488,611                | 98,756,140,823        | 37 | 111                     |
| 2008/2009      | 324,203,178,845                  | 239,482,549,650                | 88,720,629,195        | 27 | 118                     |
| 2009/2010      | 507,866,599,666                  | 332,092,443,562                | 175,774,156,104       | 35 | 133                     |
| 2010/2011      | 542,339,143,145                  | 367,778,347,642                | 174,560,896,003       | 32 | 130                     |

Source: Controller and Auditor General (CAG), General Report on LGAs for 2010/2011.

Under release of allocated funds to LGAs from central government also are being reported as the problem that hinder the implementation of LGA programmes. The general report issued by Controller and Auditor General (CAG), on LGAs for

2010/2011, details that total of Shs.324,384,652,759 was allocated to be transferred to Councils during the year under review. However, as at 30 June, 2011 a total of Shs. 170,441,105,736 was transferred resulting into a difference of Shs.153, 943,547,023 under released equivalent to 47%, the table below details:

**Table 1.3: Allocated Development Funds not transferred to LGAs.**

| S/No. | Fund Source | Amount Allocated | Amount Transferred | Under Release   | %   |
|-------|-------------|------------------|--------------------|-----------------|-----|
| 1     | LGDG CORE   | 175,248,000,200  | 109,295,521,453    | 65,952,478,747  | 38  |
| 2     | HSDG        | 30,284,700,000   | 17,401,420,000     | 12,883,280,000  | 43  |
| 3     | ASDP        | 55,645,745,550   | 43,744,164,282     | 11,901,581,267  | 21  |
| 4     | RWSSP       | 62,206,207,009   | -                  | 62,206,807,009  | 100 |
|       | Total       | 324,384,652,759  | 170,441,105,736    | 153,943,547,023 | 47  |

Source: Controller and Auditor General (CAG), General Report on LGAs for 2010/2011.

Inadequate goods and services provided by LGA from government service provision points are being reported, for example lack of essential medicines, educations, water supplies and seasonal pursuable roads in rural areas. The report issued by PMO-RALG, before the reform programme being undertaken, details existing infrastructure such as roads, drains, sewers, schools, health centres, public toilets, markets, open spaces and so on were in disrepair and were not being expanded to cope with growing requirements. Waste management systems were poor and heaps of uncollected stinking waste could be seen in a number of areas.

### **1.3 Statement of the Problem**

The LGA's budget implementations are being hindered by several factors that are arising during the implementation within the respective financial year. Most factors are under control and other are out of control of respective LGA's. These situation contribute series of programmes and projects that are not completed as planed as being

reported by several stakeholders of LGAs in Tanzania due to delay in fund release, fund not yet transferred, staff capacity to implement the LGA plans, transferred/collected fund to LGAs not fully utilized and inadequate infrastructures available to the LGAs.

Basing on comments from different reports as stated above, the researcher realized that there is need to conduct a study on impact of insufficient implementation of local government authorities' budgetary plan, choosing Mara region as the study area.

#### **1.4 Objective of the Research**

The general objective of this study is to access the impact of insufficient implementation of local government authorities' budgetary plans.

#### **1.5 Specific objectives**

The specific objectives of the study include the following:

- (i) To identify and analyze the causes of insufficient implementation of LGAs budgetary plans.
- (ii) To study and identify impact that this insufficient implementation has in the society.
- (iii) To study and analyze issues should be done to improve the LGAs budgetary plans implementation.

#### **1.6 Research Questions**

The following is research questions;

- (i) What are the possible causes of insufficient implementation of LGAs budgetary plans?
- (ii) What are the impacts arising from insufficient implementation of LGAs budgetary plans?
- (iii) What should be done to improve the LGAs budgetary plans implementation?

### **1.7 Significance of Research**

The study aimed to search for the impact that is being caused by insufficient implementation of LGAs budgetary plans within the 2011/2012 financial year to the LGAs found in Mara Region. The study also aims to provide the in depth understanding of the policy that are set by central government, but are not implemented fully as expected for as the result; more programmes of the central government were not finalized as planned before the start of the programmes. To the side of academicians, the study aims to add knowledge on the matters relating with LGAs budgetary plans implementation, so as anybody who would like to learn the way how budgetary plans were undertaken, will use the document as source of information.

### **1.8 Research Scope**

The research is expected to be conducted within Mara region found along Lake Zone. LGAs found within the region will be visited for data collection from head office and lower level of the jurisdictions such as wards and villages. The study is limited to be undertaken within the region, due to the manpower that will be involved, study time limit and the limited fund to cover costs that will be involved. The districts that will be visited are Serengeti, Bunda, Musoma, Ryora, Tarime and Musoma Municipals. It is the researchers' expectation that the data that will be collected from all LGAs mentioned will support the study to come up with the conclusion.

### **1.9 Hypothesis claims derived from the research questions**

It is hypothesized that there impacts associated with insufficiency implementation of Local Government Authorities Budgetary plans.

### **1.10 Limitation of the Study**

Availability of resources is the factor that limits most studies. Resources may be information expected to be collected, fund to finance the entire work of the study, time to go in depth during the study and like. This study is undertaken for a dissertation to be

submitted in partial fulfillment of the requirements for the award of a master degree, the implication is that there is time limit and financial constraints in a sense that the researcher cannot manage to go all around the nation, thus it led to selection of a sample rather than working with the entire population of LGAs in Tanzania, selected Mara regions LGAs as the area of study

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Meaning of the Budget**

A Local Government budget is an instrument at the disposal of the council, enabling it to guide the economic, social, political and other activities of its community in certain direction in order to realize goals and objectives. Cook, (1993), defined budget as a plan, expressed in financial terms, which encapsulates an organization's strategy and is used to control its activities. Unfortunately in real LGAs life, the strategy options are tightly restrained. Moreover LGAs somehow are political organizations. Often budget decisions owe more to behind the scenes political bartering than to academic budget techniques.

According to Combs (2003:1) a budget should:

- i. Set goals and formulate a plan to achieve them;
- ii. Establish priorities in the selection of LGA programs to help achieve those goals;
- iii. Determine the level of tariffs necessary to finance LGA programs;
- iv. Estimate the LGAs income and expenditure;
- v. Serve as a control tool for using the LGAs resources;
- vi. Describe activities and expenditures that will be undertaken during the next fiscal year;
- vii. Serve as a short and long-term planning tool; and
- viii. Serve as a day-to-day operations guide.

#### **2.2 Sufficient implementation of Budget Plans**

Community participation in the allocation and use of local public funds can enhance development outcomes, for several reasons. Fölscher, (2010), indicates that community has the best knowledge of their needs, their preferences, and local conditions. Their participation in decision making makes it more likely that available funds will be used to

deliver the goods and services most needed, thereby improving government effectiveness.

Edstrom, (2002), details the institute transparency and democracy from the bottom up in a country [Indonesia] where serious abuse of office and top-down planning has been endemic. Officials become more accountable for the choices they make on behalf of Community. Community participation improves vertical, or social, accountability. When community are engaged in planning, funding, delivering, and monitoring public goods and services, the incentives and pressures on public officials and officeholders change.

The soft aspects of human resource management, such as employee satisfaction and morale, are considered to be the most important drivers of performance. Curristine, et al (2007), state that human resource management practices also matter a great deal. While wages are still important for staff, non-monetary incentives are also essential.

Effective and economic use of resources attainable when budgetary plans are implemented sufficiently. IDG Report, (2009), details that resources are used effectively and economically if:

- i. They are clearly justified and aligned to achieve the desired development outcomes.
- ii. They are sufficient in quantity and quality to provide for all the inputs/outputs required for the desired outcomes.
- iii. They avoid waste, unnecessary inputs, or duplication both within the project and relative to other work.
- iv. Rates or prices paid are market based or otherwise assessed to be fair and reasonable.

The sufficient budget implemented is an essential management tool. Without a sufficient budget implementation, you are like a pilot navigating in the dark without instruments.

Shapiro,(2001), details that the sufficient budget implemented tells you how much money used to carry out your activities.

The implemented budget forces you to be rigorous in thinking through the implications of your activity planning. There are times when the realities of the budgeting process force you to re think your action plans. Used properly information from the budget tells you when you will need certain amounts of money to carry out your activities. The budget enables you to monitor your income and expenditure and identify any problems. When everyone can see how much should have been spent and received, they can ask informed questions about discrepancies. You cannot raise money from donors unless you have a budget and a clear implementation plans. Donors use the budget estimates as a basis for deciding whether what you are asking for is reasonable and well-planned.

### **2.3 Insufficient implementation of Budget Plans**

Under-spending may be inefficient as well as ineffective, because the amounts that have not been spent in one programme or vote are not used to the benefit of community. Unspent funds could have been used to implement or upscale another programme instead. Under-spending may however be the positive result of increased efficiency or economy in a programme, if the target outputs are realised with less money.

Poor expenditure control, fund received from revenue sources are not properly managed by the LGAs management, as the result, they do not implement sufficiently the planned activities. Masood, (1998), Over-spending may also be inefficient, because funds are used for a purpose for which they were not intended. Of course, the extent and specific reasons for over-spending may qualify our judgment, for example, if more people than planned are provided with a critical service.

Inadequate reporting of financial performance, since the report issued by the LGAs does reflect the existing situation of how the fund was utilized. The general report issued by

Controller and Auditor General (CAG), on LGAs for 2010/2011 samples of matters that form the basis for qualified and adverse opinion is as follows:

- i. Salaries were paid to employees who were retired, deceased, terminated, absconded and seconded through their personal bank accounts; the Government did not receive any benefits from such payments rendering such payments to be nugatory expenditure.
- ii. During the review of contract documents and transactions it was noted that contracts had suspected fraudulent practices resulting to extra cost on contract sums.
- iii. Review of payment vouchers and payment certificates for construction revealed overpayment to the contractors and the payments being made without being supported by payment certificate.
- iv. Council owning 100% of shares of a Limited Company did not prepare consolidated financial statements as a holding Entity.
- v. There was non-disclosure of investments in the Council's financial statements which understated the assets of the Councils.
- vi. The payment vouchers and the respective supporting documents were missing in their relevant batches hence limiting the scope of audit.
- vii. Some payment vouchers were inadequately supported and accountable documents were not availed for audit hence authenticity of the payments made could not be justified.
- viii. There are misstatements and non-disclosures of assets, liabilities, income and expenditure which do not fairly present the true view of the submitted financial reports.
- ix. Non preparation of supporting schedules and notes to the financial statements results into incomplete records in respect of the submitted financial statements.
- x. A substantial number of revenue earning receipt books were not submitted for audit therefore revenue collected thereof could not be justified.

Staff not motivated properly, Tetamashimba,(2009), details local governments are required to cost PEs comprehensively, that is, to include each employee for the period of July to June on a monthly basis. Besides the basic salary, PEs must include all components such as allowances, arrears, leave and long service bonus.

Inadequate funding of operations and maintenance, Tetamashimba, (2009), stated also that if, however, the local governments has not achieved a significant portion of its outputs and yet, has consumed all its resources, then something is wrong; the local government has consumed all its resources for doing only part of the planned job (resources have been incorrectly allocated or wasted).

## **2.4 Factors affecting Implementation of Budget plans**

The factors that do affect the implementation of budget plans are capability and effectiveness of government, culture of the LGAs, human resources capacity and infrastructures available.

### **2.4.1 Capability and effectiveness of Government**

Mardiasmo, (2002), indicate that the implementation of the budget is affected by the capability and effectiveness of government in planning and controlling public finances. This requires every LGA to apply the issued budget guidelines, ceiling from central government, development partners and the amount expected to be collected from own source to be apportioned basing on priorities such that all crucial activities allocated the fund before others so as to ensure public goods and services are delivered in good manner. Budget implementation, prioritizing performance budgeting mechanism and making the determination of priority objectives and approaches in a systemic and rational decision-making process budget implementation.

#### **2.4.2 Culture of the LGAs**

Culture of LGA, affect the implementation of the budgetary plan either positively or negatively. According to Mehdi, et al (2010), the organization should ensure the following in order to perform effectively their plans;

- i. Culture (belief) of validating customers, a culture of achieving customer satisfaction,
- ii. Culture of considering quality of services in accordance with customers values, encouraging characteristics like organization commitment,
- iii. self-management, self-commitment and socialization of staff,
- iv. creating common belief concerning organizational goals,
- v. creating a collaborative environment for people in organization,
- vi. creating a culture of team and group working,
- vii. explicitly of organization values and employees openness to these values,
- viii. Culture of changing and flexibility in organization and creating a competitive environment among people in organization.

#### **2.4.3 Human resources Capacity**

Human resources are the key issues affecting implementation of the LGAs budget plan. Ward and Village officers are being implementers of several programmes such as construction of Primary and Secondary School buildings, health infrastructures with the minimal supervision of technical expertise from LGAs head office. Mehdi, et al (2010), spot out the following issues to ensure the success on implementation of the organization plans, a systematic regular training program in relation with strategic goals for staff a system of remuneration – punishment and promotions for staff, an explicit and efficient wage system and payments an organized recruiting and staffing system, a precise system of evaluating performance, a planned job description for all occupational titles in organization, motivated staff who are directly at customers service, creative employees who find right solutions and will act when it requires.

These issues do not match with the situation found in most LGAs, most working station especially those found in rural areas, has under-staff for example, health facilities, primary and secondary school and extension workers from livestock and agriculture sectors. The unbalanced level of workers affect the implementation of the plans at the large extent, as the result, the community receives inadequate goods and services from government.

#### **2.4.4 Infrastructures available**

Infrastructures available within LGAs also lead to smooth or delay implementation of the planed programmes. The infrastructure grouped into road networks, office buildings and communication networks. Baffes,(2002), stated that heavy rainfall falls leaves roads in bad condition with more pits. Many roads found in most LGAs, especially in rural area made up with gravel level, maintained once per year. During the rainy season, the transportation system from urban to rural area become difficulty due to muddy and pits founds in the gravel roads. Many LGAs programmes are not undertaken properly during the rainy season wait until rain ends.

Temu, et al (2008), the under development infrastructure and rural services are likely to be the same, differences between administrative regions are small, except between urban and rural areas, the latter being significantly disadvantaged. The education and Health facilities almost are not adequate completed as the standard required. These result to affect the services being provided to the communities.

### **2.5 Impact of insufficient implementation of LGAs Budgetary plans**

As the study topic concerned with the impact of insufficient implementation of Local Government Authorities budgetary plans. The review refers to the impact that arise to the communities after the LGAs budgetary plans being not implemented as intended. Most of them are:

- i. Qualified, Adverse and Disclaimer opinions. LGAs that do not comply with the budgetary plans during the implementation sessions ends by getting audit opinions that are not favorable. According to Policy Brief report, (2012), stated that Corruption scandals like the External Payments Account (EPA) embezzlement, lack of convincing efforts for poverty reduction, negative CAG reports and experiences of public financial management problems combine with harder economic and political times in OECD countries to dent traditional donors' willingness to fund the Government of Tanzania directly.
- ii. Inadequate provision of goods and services being provided by LGAs on behalf of the Central Government. The report issued by PMO-RALG, (2004), details existing infrastructure such as roads, drains, sewers, schools, health centres, public toilets, markets, open spaces and so on were in disrepair and were not being expanded to cope with growing requirements. Waste management systems were poor and heaps of uncollected stinking waste could be seen in a number of areas.
- iii. Community moral to participate on budgeting process, implementation of their targeted plans, become demoralized. This is due to the situation of what planned during the previous financial year did not yet being implemented. A 1996 public expenditure review in Guinea revealed a complete mismatch between the stated policy priorities of the government and actual priorities based on expenditure allocation. Although the government has designated primary education, public health and road maintenance as priorities, funds often end up being allocated to other areas instead. In many developing countries, the resource allocation process is plagued by uncertainty, much of which is self-inflicted.
- iv. Increase of communities strikes against the government, in all the world there several strikes that had being reported today compared to the previous year.

These are arising due to political matters, governments providing inadequate goods and services leaving community expectation uncompleted and the conflict that arise between tribes. Darjeeling, (2013), details the Bengal government has issued a circular in the hills warning employees that their salary would be cut and their absence recorded in career documents if they failed to work on the days the Gorkha Janmukti Morcha has announced a closure of government offices.

- v. Level of poverty to communities increases, since the world is challenged with several issues such as climate changes, the most governments in the world fail to accommodate the impact of the global changes to their budgetary plans. Since the community income generating activities, become affected in one way or another, affect the communities resources as the result more programmes fails. Unicef, (2012), argues that, whilst Tanzania has made great efforts in meeting its domestic and international targets in the alleviation of child poverty especially in the areas of education and healthcare, child poverty is still an important issue for the country.

Generally, from the review made above it shows that, the researcher after conducting in depth study, will come up with the conclusion reflecting the situation that were being identified from the review and expected to justified, since the LGAs of study will provide the information being requested by researcher basing on the amount estimated (budgeted amount) to be spend for the year of study, the actual amount received and expensed by every LGAs, the receipt of fund whether were complete or not complete, accountability of the management to implement the LGAs budgetary plans and the involvement of the community during the LGAs plan session. Thereafter, the information that will be collected from the field will support to conclude the study topic as detailed after analysis and discussion of the finding from the field.

## **2.4 The conceptual framework**

Since the study is expected to be undertaken on LGAs found in Mara region, it is better to identify the variables that are going to be examined as connected to the research problem. These include the dependent and independent variables. Budgetary plan is the dependent variable and impacts associated with insufficient implementation such as community moral demoralize, development gap from one area to another and inadequate services being provided are independent variables.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.0. The Research Design

The study design was survey, aimed to search for the impact arising from the insufficiency implementation of the LGAs budget plans as approved for the financial year 2011/2012 by Mara Region LGAs. The research topic as stated; the impact of insufficient implementation of Local Government Authorities budgetary plans, the study allowed an in depth search of information that was enabled to draw the conclusion of the targeted study objectives.

#### 3.1. Population of the study

The research covered 6 LGAs found in Mara region namely Serengeti DC, Musoma DC, Tarime DC, Rorya DC, Bunda DC and Musoma MC. Tarime DC divided to form Rorya District .The Region approximately have population density of more than 1.8 million people basing on the population census of 2002.

**Table 3.1: Distribution of population by district, Mara region 1967, 1978, 1988, 2002 and 2012 projections.**

| District     | Total population |                |                |                  |                  |
|--------------|------------------|----------------|----------------|------------------|------------------|
|              | 1967             | 1978           | 1988           | 2002             | 2012             |
| Musoma MC    | 21,657           | 43,993         | 68,364         | 108,242          | 192,606          |
| Musoma DC    | 174,968          | 219,136        | 248,268        | 329,824          | 433,014          |
| Rorya DC     | -                | -              | -              | 217,176          | 290,014          |
| Tarime DC    | 188,536          | 253,010        | 333,888        | 273,555          | 379,102          |
| Bunda DC     | -                | -              | 190,386        | 258,000          | 361,598          |
| Serengeti DC | 158,984          | 207,688        | 111,710        | 176,609          | 235,310          |
| <b>Total</b> | <b>544,145</b>   | <b>723,827</b> | <b>952,616</b> | <b>1,368,602</b> | <b>1,891,897</b> |

Source: 1988 and 2002 Population Census Report, Planning Commission: Compiled data.

### **3.2 Sampling Techniques**

The cluster sampling technique was being applied during the data collection, since the data were expected to be collected from LGAs headquarters, ward offices and village offices. The region had a total of 6 LGAs head office, 17 divisions, 143 Ward and 464 villages, the data collection was made from LGAs head offices where by 5 head of departments/sections were requested to fill the questionnaire including respondent from Finance and Policy and Planning departments. Ward officers and village officers also were requested, where by 5 wards and 5 villages was visited and requested to respond on the questionnaire from each LGA. The simple random selections were being made from lists of wards and villages found within each LGA.

### **3.3 Sample size**

The sample size included the following respondents: 5 from each LGAs head office, 5 ward officers from each LGA and 5 village Officers from each LGA, making a total of 85 respondents that were visited. Musoma Municipal jurisdiction areas do not have villages; instead have mitaa that were not being considered for the study.

**Table 3.2 Total number of respondents from every LGA**

| S/No. | LGA NAME     | LGA H/OFFICE RESPONDENTS | WARD TOTAL | WARD RESPONDENTS | VILLAGE TOTAL | VILLAGE RESPONDENTS | TOTAL RESPONDENTS |
|-------|--------------|--------------------------|------------|------------------|---------------|---------------------|-------------------|
| 1     | Musoma DC    | 5                        | 34         | 5                | 116           | 5                   | <b>15</b>         |
| 2     | Bunda DC     | 5                        | 28         | 5                | 108           | 5                   | <b>15</b>         |
| 3     | Serengeti DC | 5                        | 28         | 5                | 85            | 5                   | <b>15</b>         |
| 4     | Tarime DC    | 5                        | 20         | 5                | 78            | 5                   | <b>15</b>         |
| 5     | Rorya DC     | 5                        | 20         | 5                | 77            | 5                   | <b>15</b>         |
| 6     | Musoma MC    | 5                        | 13         | 5                | -             | -                   | <b>10</b>         |
|       | <b>Total</b> | <b>30</b>                | <b>143</b> | <b>30</b>        | <b>464</b>    | <b>25</b>           | <b>85</b>         |

### 3.4 Data Collection strategies

During the research work, data collection from LGA's was based on application of questionnaire and documentary review. The questionnaire set to enable the respondent from LGA's Finance and Policy and Planning departments and any three sections/departments, and executive officers from wards and villages. The qualitative information was being collected from the respondent and analysed to quantitative during the analysis of the data. Documentary review was enabled to collect information that already published and available to LGAs offices.

The respondents were supplied by the questionnaire and requested to respond to the questions that included into the research questionnaire. Any ambiguity that was found by respondents was being clarified during the collection of research questionnaire.

The information that was being collected was included the overall budget process, the implementation of the budget during the respective financial year of 2011/2012 and any

other information that was related with budget implementation from previous financial year. The Finance and Policy and Planning departments act as the central fugal of the LGA's budget control during the implementation this is why were being among crucial respondents. The Finance Department liable to pass payments that suit the budget allocation as detailed in the budget plans, at the same time the Policy and planning department supervise the implementation of activities as planned into the LGA's action performance plan.

### **3.5 Data analysis**

After the data were being collected, the analysis was made using the Microsoft Excel software. The data collected and processed in order to be recognized by the analysis software so as to provide the study result. The software analysis results were being compared with the actual information collected from the field before the conclusion of the study being provided.

### **3.6 Study decision criteria**

Basing on the PMO-RALG, LGCDG assessment criteria, indicate that LGAs that perform above 80% indicate that it perform good and score higher marks of assessment and those perform below 80% indicate that the performance is moderate and score low marks of assessment. The research developed the study decision criteria as follows in the following categories:

- i. If the budget implementations range between 90%-100%, the impact was low.
- ii. If the budget implementations range between 80%-89%, the impact was moderate.
- iii. If the budget implementation is below 80%, the impact was greater.

### **3.7 Study Period**

The study period was covered within the Mzumbe University research time frame as provided in the research guideline. The data collection was been undertaken after the

proposal being approved by the supervisor, and was undertaken from the period of the month of April and May where by at least four days were used for every LGA. Data analysis was done after the data being collected. This was taken a period of a month of June, and the first draft of report was produced at the beginning of July, 2012.

### **3.8 Data Reliability tests**

After data being collected, the testing of data will be made to check correlation and validity. After testing the information collected, the researcher and reader of the research report will be able to justify the information being collected.

### **3.9 Resource Required for the Study**

During the conduction of study, several resources were utilized to fulfill the undertaking of the study. These were included time, human personnel, stationeries and fund to cover all costs that was demanded fund. Research timeframe was followed within the university requirements. The breakdowns of the cost were as followed:

| S/NO. | DETAILS            | BREAKDOWN                                   | AMOUNT (TSHS.)      |
|-------|--------------------|---------------------------------------------|---------------------|
| 1     | Travelling costs   | Fair to 6 LGA:                              |                     |
|       |                    | Mugumu/Serengeti to Tarime DC               | 7,000.00            |
|       |                    | Tarime DC to Rorya DC                       | 5,000.00            |
|       |                    | Rorya DC to Musoma DC                       | 7,000.00            |
|       |                    | Musoma DC to Bunda DC                       | 5,000.00            |
|       |                    | Bunda DC to Serengeti                       | 7,000.00            |
|       |                    | <b>Sub Total</b>                            | <b>31,000.00</b>    |
|       |                    | Sustance Allowance Data Collection:         |                     |
|       |                    | 6 LGA x 4days x 45,000per Day               | 1,080,000.00        |
|       |                    | Subsistance Allowance- Submission of Report |                     |
|       |                    | 65,000/= x 10 days                          | 650,000.00          |
|       |                    | Fair costs: Mugumu-Mwanza- Morogoro         |                     |
|       |                    | (20,000+ 45000+1000)x2                      | 132,000.00          |
|       |                    | <b>Total Travel Costs</b>                   | <b>1,893,000.00</b> |
| 2     | Stationery Costies | Printing Costs :                            |                     |
|       |                    | Estimated 3000 pagesx200/=                  | 600,000.00          |
|       |                    | Photocopying costs:                         |                     |
|       |                    | Estimated 6000 pagesx100/=                  | 600,000.00          |
|       |                    | A4 Paper: 5 Ream x10,000/=                  | 50,000.00           |
|       |                    | Binding Services: 10 Copies x 5000/=        | 50,000.00           |
|       |                    | Supplement Amount                           | 200,000.00          |
|       |                    | <b>Total for Stationary</b>                 | <b>1,500,000.00</b> |
| 3     | Analysis costs     | Lunch and Accommodation costs for 30 days   | <b>1,500,000.00</b> |
| 3     | Proposal Costies   | Stationery costs                            | 300,000.00          |
|       |                    | Subsistance Allownace                       | 400,000.00          |
|       |                    | Fair                                        | 130,000.00          |
|       |                    | <b>Total Costs</b>                          | <b>830,000.00</b>   |
|       |                    | <b>Total Estimated Costs</b>                | <b>5,723,000.00</b> |

## CHAPTER FOUR

### PRESENTATION OF FINDINGS

#### 4.0 Introduction

This chapter presents the findings from the field during the data collection made from Mara region LGAS respondents. The findings are categorized based on three questions of the study as detailed in Chapter one, where by respondent from LGAs head office totaling 30 were responded section one and two of the questionnaire and respondents from Wards and Villages totaling 55 were responded only questions from section three. The findings are detailed under each question of the study. The respondents' summary showing the details of their gender, age and education level provided below;

**Table 4.1; Details summary of respondents from LGAs of study.**

|              | GENDER    |           | EDUCATION LEVEL |          |           |           | AGE       |             |
|--------------|-----------|-----------|-----------------|----------|-----------|-----------|-----------|-------------|
|              | M         | F         | DEG             | DIP      | CERT.     | FORM IV   | UP 35YRS  | ABOVE 35YRS |
| SERENGETI DC | 11        | 4         | 5               | 1        | 1         | 8         | 6         | 9           |
| BUNDA DC     | 8         | 7         | 5               | 1        | 2         | 7         | 7         | 8           |
| TARIME DC    | 13        | 2         | 5               | 0        | 3         | 7         | 3         | 12          |
| MUSOMA DC    | 12        | 3         | 5               | 0        | 2         | 8         | 6         | 9           |
| RORYA DC     | 13        | 2         | 5               | 0        | 0         | 11        | 4         | 11          |
| MUSOMA MC    | 5         | 5         | 5               | 2        | 2         | 1         | 4         | 6           |
| <b>TOTAL</b> | <b>62</b> | <b>23</b> | <b>30</b>       | <b>4</b> | <b>10</b> | <b>42</b> | <b>30</b> | <b>55</b>   |

55 respondents from wards and villages were categorized as; 25 were village executive officer , among them 10 were acting village executive officer and 30 were ward executive officer, where by 14 were acting ward executive officers. 30 respondents from LGAs head office were categorized as follow; 5 District Treasurer were interviewed, 5 Planning Officer were interviewed, 10 Community Development Officer were responded, 5 Education officer were responded and 5 Medical Officer were interviewed.

#### **4.1 Causes of insufficient implementation of LGAs budgetary plans.**

The findings relating with the causes of insufficient implementation of LGAS budgetary plans are described as follows;

- The documentary reviews made on the acknowledgement receipt and responds from LGAs Treasurer during the visit to collect the information, indicate that LGAs of study received fund transfer from Central Government to LGAs for most programmes were being delayed. The information relating with receipt of fund from Central Government to LGAs obtained during the study show that the first fund release for operational expenses, received by LGAs on the end of August, 2011, this implies that fund delayed for almost two months from the beginning of respective financial year that start on 1<sup>st</sup> July 2011.

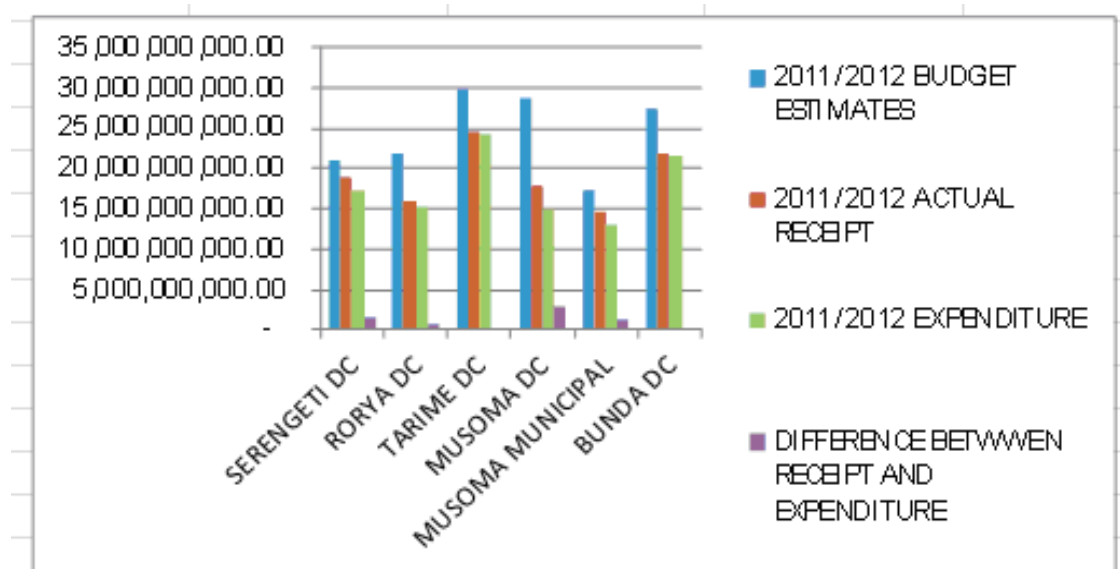
The final fund release made on the date of 20<sup>th</sup> of June, 2012. This realize that fund received do not be fully utilized in the same financial year, as the result at the end of financial year [30<sup>th</sup> June] the LGAs had the unspent amount that carried to the next financial year as rollover amount. 30 respondents from LGAs head office responded positively to the questionnaire question number 15 from section one of the questions, equivalent to 100%. Refer to the table and bar chart presented below.

**Table 5.1: Budget Estimates, Actual Receipt, Total Expenditure and Difference between Receipt and Expenditure.**

| LGA VOTE CODE | LGA NAME         | 2011/2012 BUDGET ESTIMATES | 2011/2012 ACTUAL RECEIPT  | 2011/2012 EXPENDITURE     | DIFFERENCE BETWEEN RECEIPT AND EXPENDITURE |
|---------------|------------------|----------------------------|---------------------------|---------------------------|--------------------------------------------|
| 773035        | SERENGETI DC     | 21,085,293,820.00          | 18,974,000,839.34         | 17,352,676,376.87         | 1,621,324,462.47                           |
| 773104        | RORYA DC         | 21,837,099,817.00          | 15,992,913,678.00         | 15,196,690,843.00         | 796,222,835.00                             |
| 773036        | TARIME DC        | 29,748,041,643.00          | 24,598,490,553.00         | 24,298,006,484.00         | 300,484,069.00                             |
| 773034        | MUSOMA DC        | 28,775,998,754.00          | 17,706,291,503.00         | 14,770,965,137.00         | 2,935,326,366.00                           |
| 772011        | MUSOMA MUNICIPAL | 17,411,499,961.00          | 14,497,854,422.18         | 13,157,272,735.17         | 1,340,581,687.01                           |
| 773033        | BUNDA DC         | 27,395,745,097.53          | 21,760,001,856.96         | 21,589,298,309.76         | 170,703,547.20                             |
|               | <b>TOTAL</b>     | <b>146,253,679,092.53</b>  | <b>113,529,552,852.48</b> | <b>106,364,909,885.80</b> | <b>7,164,642,966.68</b>                    |

Source: LGAs CFR June, 2012 and Final Financial Statements Reports

**Figure 1: Budget Estimates, Actual Receipt, Total Expenditure and Difference between Receipt and Expenditure.**



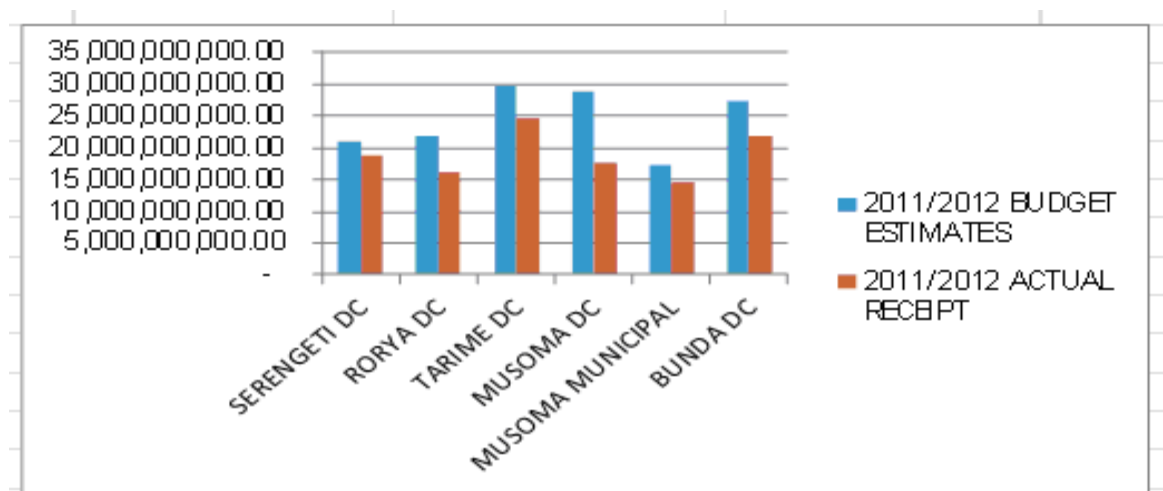
- Fund for some programmes not being provided in full as estimated in the annual LGAs budgetary plans. The information collected from the LGAs of study where by review of financial statements and Council Financial Report (CFR) for the financial year 2011/2012 and information provided in the questionnaire question number 11 of section one, show that the actual amount received by LGAs is below the budgeted amount as described in the table below. The total amounts collected by all Mara Region LGAs for the year of study were equivalent to 78% of the annual budget estimates. Refer the figure presented in the table below and bar chart.

**Table 4.1 : 2011/2012 LGAs Budget Estimates and Actual Receipt**

| LGA VOTE CODE | LGA NAME         | 2011/2012 BUDGET ESTIMATES | 2011/2012 ACTUAL RECEIPT  | %         |
|---------------|------------------|----------------------------|---------------------------|-----------|
| 773035        | SERENGETI DC     | 21,085,293,820.00          | 18,974,000,839.34         | 90        |
| 773104        | RORYA DC         | 21,837,099,817.00          | 15,992,913,678.00         | 73        |
| 773036        | TARIME DC        | 29,748,041,643.00          | 24,598,490,553.00         | 83        |
| 773034        | MUSOMA DC        | 28,775,998,754.00          | 17,706,291,503.00         | 62        |
| 772011        | MUSOMA MUNICIPAL | 17,411,499,961.00          | 14,497,854,422.18         | 83        |
| 773033        | BUNDA DC         | 27,395,745,097.53          | 21,760,001,856.96         | 79        |
|               | <b>TOTAL</b>     | <b>146,253,679,092.53</b>  | <b>113,529,552,852.48</b> | <b>78</b> |

Source: LGAs CFR June, 2012 and Final Financial Statements Reports.

**Figure 2: 2011/2012 LGAs Budget Estimates and Actual Receipt**



- Fund not transferred on time from LGAs head office to lower levels of Villages and Wards. Since the Villages and Wards are the LGAs units for implementing the various programmes such as construction of Classrooms, Teacher's houses , Dispensaries, Village and Ward offices, Health centres, Rural roads and acquisition of facilities such as furniture for Schools, Village offices, Ward Offices and Health Facilities. All 55 respondents from Wards and Villages indicate the date of receiving the transfer from LGAs head office on the month of January to June, 2013, equivalent to 100%, when they responding questionnaire question number 9 of section three. The information details that fund for development projects were transferred from Central Government to LGAs between the month of December, 2011 and June, 2012, and the transfer to Villages and Wards level were made from LGAs between the months of January to June, 2012.
- Under estimations of the project costs that do not meet the actual cost of some projects being implemented. During the distribution/allocation of resources for the respective financial year to programmes that are being included in the 2011/2012 Annual LGAs Budget Estimates, the fund being set to Villages and Wards base on Population Density of the respective area. The information collected from review of budget document from all LGAs and information provided by head of Planning and Policy department details that most of projects are not completed in time due to the fund being allocated are not enough to cover the whole project costs at once. These result more projects being implemented from two to three consecutive financial years. The sample of projects being allocated fund from Serengeti District Council are provided in the table below. The budget estimates to Villages and Wards projects range between Shs.4,000,000 to Shs.25,000,000 depending to the projects being implemented.

**Table 4.2; Sample of Projects Planned To Village and Wards Levels for the Financial Year 2011/2012.**

| EXPENSE CODE | CODE DESCRIPTION | ESTIMATED AMOUNT | PROJECT DESCRIPTION                                                                               |
|--------------|------------------|------------------|---------------------------------------------------------------------------------------------------|
| 411110       | Public Buildings | 4,000,000.00     | To complete 4 class rooms at Nyamatara Primary School by June, 2012.                              |
| 411110       | Public Buildings | 4,643,279.00     | To coconstruct 1 ward office at SEDECO Ward by June, 2012.                                        |
| 411110       | Public Buildings | 10,000,000.00    | To coconstruct 1 Dispensary at Iseresere by June 2012.                                            |
| 411110       | Public Buildings | 10,000,000.00    | To construct 1 ward office at Mosongo Ward by June, 2012.                                         |
| 411110       | Public Buildings | 8,366,993.00     | To complete 1 teacher's house at Bisarara Primary School by June, 2012.                           |
| 411110       | Public Buildings | 12,000,000.00    | To complete 3 teacher's house and 3 class rooms at Dr. Omari Juma Secondary school by June, 2012. |

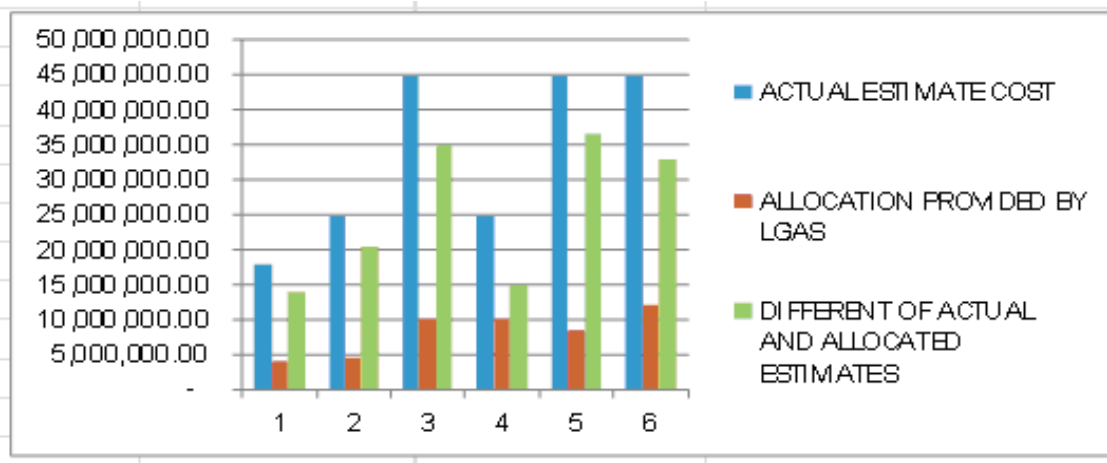
Source: Serengeti DC Budget Estimates Book for the financial year 2011/2012.

**Table 4.3: Market Estimated Actual Costs versus the LGAs Fund Allocated To Undertake the Same Appropriate Projects**

| ACTUAL ESTIMATE COST | ALLOCATION PROVIDED BY LGAS | DIFFERENT OF ACTUAL AND ALLOCATED ESTIMATES | PROJECT DESCRIPTION                                                                               |
|----------------------|-----------------------------|---------------------------------------------|---------------------------------------------------------------------------------------------------|
| 18,000,000.00        | 4,000,000.00                | 14,000,000.00                               | To complete 4 class rooms at Nyamatara Primary School by June, 2012.                              |
| 25,000,000.00        | 4,643,279.00                | 20,356,721.00                               | To coconstruct 1 ward office at SEDECO Ward by June, 2012.                                        |
| 45,000,000.00        | 10,000,000.00               | 35,000,000.00                               | To coconstruct 1 Dispensary at Iseresere by June 2012.                                            |
| 25,000,000.00        | 10,000,000.00               | 15,000,000.00                               | To construct 1 ward office at Mosongo Ward by June, 2012.                                         |
| 45,000,000.00        | 8,366,993.00                | 36,633,007.00                               | To complete 1 teacher's house at Bisarara Primary School by June, 2012.                           |
| 45,000,000.00        | 12,000,000.00               | 33,000,000.00                               | To complete 3 teacher's house and 3 class rooms at Dr. Omari Juma Secondary school by June, 2012. |

Source: Serengeti DC Budget Estimates Book for the financial year 2011/2012.

**Figure 3: Market Estimated Actual Costs versus the LGAs Fund Allocated to Undertake the Same Appropriate Projects**



- Some Communities do not contribute their required building materials to facilitate implementation of the intended projects on time. The communities from every LGAs affect the implementations of various development projects either negative or positively. The study found that area where communities were interested to undertake the projects, they contribute the local building materials such as sand, stones, gravels and bricks within the specified project period frame. Also revealed that some areas where the communities do not being involved from the beginning of the budget plan become rigid to contribute their portion for the projects being intended to be implementation to their area, as a result projects do not being implemented at all or not completed on time as planned. 19 respondents from LGAs head office respond negatively equivalent to 63% that the community contributions are being delayed and 11 respond positively equivalent to 37% replied that community contribution are being made within the time frame.

## 4.2 Impacts of insufficient implementation of LGAs budgetary plans

- The services intended to the communities provided partially or delayed to be provided or not provided at all. The LGAs undertake their duties so that they aim to provide services or improve the service delivery to the communities found to their territories. Once the planned activities from the respective financial year being not undertaken due to delay, lack or insufficient fund being realised from the respective source, the expected service delivery to the communities also become disrupted. The review of document made Council Financial Report from LGAs of the study; it revealed that fund from Central Government delays for at most two months.

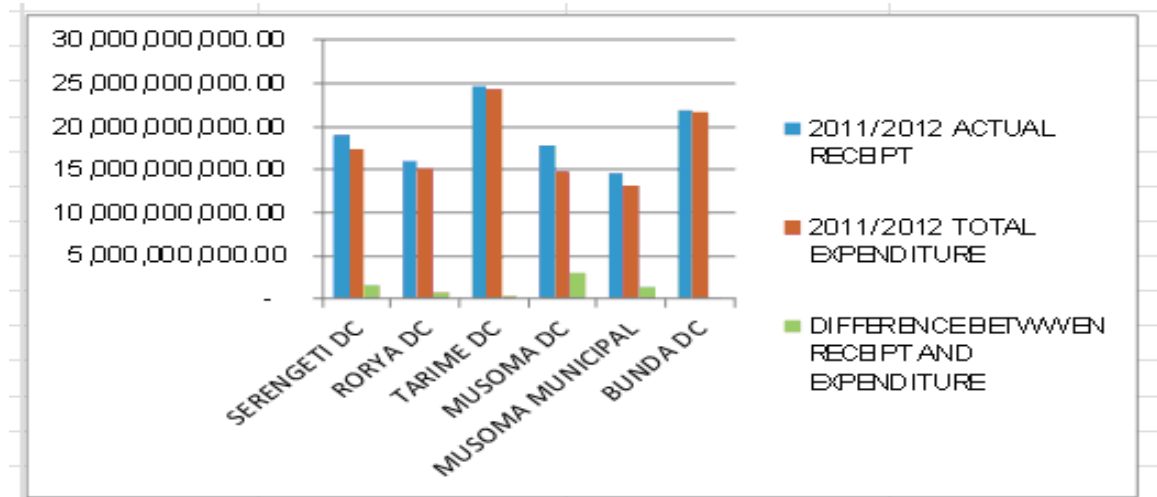
The programmes that are intended to be carried on from the beginning of the financial year including operation of LGAs office, procurement of hospital supplies and operations of primary and secondary schools for the financial year 2011/2012, also delay for period of at most two months. The study found that the fund being received between 20<sup>th</sup> August, 2011 to 20<sup>th</sup> June, 2012, and some programmes left unimplemented to the end of financial year amounting to tune of Tshs.7,164,642,966.68. The table and bar chart below describes in details the unspent amount as at 30<sup>th</sup> June, 2012.

**Table 4.3; LGAs Budget Estimates, Actual Collection, Actual Expenditure And The Rollover Fund(Fund Not Expensed In The Financial Year 2011/2012).**

| LGA VOTE CODE | LGA NAME         | 2011/2012 BUDGET ESTIMATES | 2011/2012 ACTUAL RECEIPT  | 2011/2012 EXPENDITURE     | DIFFERENCE BETWEEN RECEIPT AND EXPENDITURE |
|---------------|------------------|----------------------------|---------------------------|---------------------------|--------------------------------------------|
| 773035        | SERENGETI DC     | 21,085,293,820.00          | 18,974,000,839.34         | 17,352,676,376.87         | 1,621,324,462.47                           |
| 773104        | RORYA DC         | 21,837,099,817.00          | 15,992,913,678.00         | 15,196,690,843.00         | 796,222,835.00                             |
| 773036        | TARIME DC        | 29,748,041,643.00          | 24,598,490,553.00         | 24,298,006,484.00         | 300,484,069.00                             |
| 773034        | MUSOMA DC        | 28,775,998,754.00          | 17,706,291,503.00         | 14,770,965,137.00         | 2,935,326,366.00                           |
| 772011        | MUSOMA MUNICIPAL | 17,411,499,961.00          | 14,497,854,422.18         | 13,157,272,735.17         | 1,340,581,687.01                           |
| 773033        | BUNDA DC         | 27,395,745,097.53          | 21,760,001,856.96         | 21,589,298,309.76         | 170,703,547.20                             |
|               | <b>TOTAL</b>     | <b>146,253,679,092.53</b>  | <b>113,529,552,852.48</b> | <b>106,364,909,885.80</b> | <b>7,164,642,966.68</b>                    |

Source: LGAs CFR June, 2012 and Final Financial Statements Reports

**Figure 4: Actual Receipt, Total Expenditure and the Difference between Receipt and Expenditure.**



- Communities moral to support various government programmes become demoralized once the budgeted projects being not undertaken on time or not yet undertaken at all. The study found that community moral to implement various projects by providing local building materials become demoralized due to the some projects that previously being identified were not completed and new projects being established that require also community contributions. Also there is a time within the same community, more than one project could be allocated, but all projects require their contribution. The result is either they manage to contribute to some or only one project while other left unimplemented or implemented partially. The table below details the budget estimates versus the actual expenditure for the year of study 2011/2012 from all Mara Region LGAs, where by unspent budget total for the year of study is equivalent to 27%.

**Table 4.4; Budget Estimates, Actual Expenditure and Difference between Budget and Total Expenditure.**

| <b>LGA VOTE CODE</b> | <b>LGA NAME</b>  | <b>2011/2012 BUDGET ESTIMATES</b> | <b>2011/2012 EXPENDITURE</b> | <b>DIFFERENCE BETWEEN BUDGET AND EXPENDITURE</b> | <b>%</b>  |
|----------------------|------------------|-----------------------------------|------------------------------|--------------------------------------------------|-----------|
| 773035               | SERENGETI DC     | 21,085,293,820.00                 | 17,352,676,376.87            | 3,732,617,443.13                                 | 18        |
| 773104               | RORYA DC         | 21,837,099,817.00                 | 15,196,690,843.00            | 6,640,408,974.00                                 | 30        |
| 773036               | TARIME DC        | 29,748,041,643.00                 | 24,298,006,484.00            | 5,450,035,159.00                                 | 18        |
| 773034               | MUSOMA DC        | 28,775,998,754.00                 | 14,770,965,137.00            | 14,005,033,617.00                                | 49        |
| 772011               | MUSOMA MUNICIPAL | 17,411,499,961.00                 | 13,157,272,735.17            | 4,254,227,225.83                                 | 24        |
| 773033               | BUNDA DC         | 27,395,745,097.53                 | 21,589,298,309.76            | 5,806,446,787.77                                 | 21        |
|                      | <b>TOTAL</b>     | <b>146,253,679,092.53</b>         | <b>106,364,909,885.80</b>    | <b>39,888,769,206.73</b>                         | <b>27</b> |

Source: LGAs CFR June, 2012 and Final Financial Statements Reports

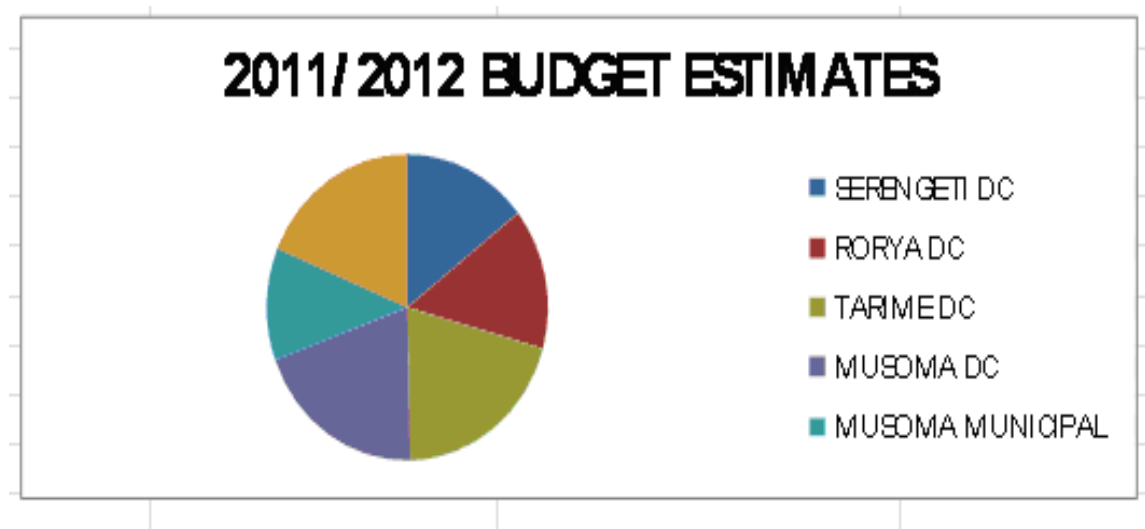
- The gap of development from one point of LGAs to other becomes large. The study found that there is a gap of development from one village or ward to others and one LGA to another. The reason come from the study finding is that most area with higher population density receives much allocation of resources compared to area with less population density that receive little allocation of resources. Basing on the budget allocation of the financial year 2011/2012, Tarime DC, Musoma DC and Bunda DC receive more allocation of resources compared to Rorya DC, Serengeti DC and Musoma MC. The table and pie chart below details the allocation of 2011/2012 Budget Estimates.

**Table 4.5: Allocation of Budget Estimates to Mara Region LGAs for The Financial Year 2011/2012.**

| <b>LGA VOTE CODE</b> | <b>LGA NAME</b>  | <b>2011/2012 BUDGET ESTIMATES</b> | <b>% OF TOTAL BUDGET ESTIMATES</b> |
|----------------------|------------------|-----------------------------------|------------------------------------|
| 773035               | SERENGETI DC     | 21,085,293,820.00                 | 14                                 |
| 773104               | RORYA DC         | 21,837,099,817.00                 | 15                                 |
| 773036               | TARIME DC        | 29,748,041,643.00                 | 20                                 |
| 773034               | MUSOMA DC        | 28,775,998,754.00                 | 20                                 |
| 772011               | MUSOMA MUNICIPAL | 17,411,499,961.00                 | 12                                 |
| 773033               | BUNDA DC         | 27,395,745,097.53                 | 19                                 |
|                      | <b>TOTAL</b>     | <b>146,253,679,092.53</b>         | <b>100</b>                         |

Source: Mara Region LGAs Budget Estimates Documents, 2011/2012.

**Figure 5: Allocation of Budget Estimates to Mara Region LGAs for the Financial Year 2011/2012.**



#### **4.3 Ways to improve the LGAs budgetary plans implementation.**

- The resource allocation should be based on the priorities of the development strategic plans of the LGAs instead of using population density. The information obtained from review of LGAs budgetary plans for the financial year 2011/2012 details that area that have fewer population density receive less resources compared to areas with higher population, as the result more programmes that need to be implemented, lack fund and become pending for several years. In reality areas located to near or in town, wards headquarters and village trade centres are more developed compared to the interior area.
- The Central Government should improve the arrangement of transfer of fund to LGAs to meet the implementation of programmes that need to be started from the beginning of each financial year. The central government system of collecting and transferring funds to LGAs should be improved to ensure that funds are released on time to ensure that all programmes that are planned to be started from the beginning of the financial year are undertaken. Also the fund should not be transferred to the end of the financial year. These leads to unutilized fund that remains to LGAs and rollover to the next financial year.
- The LGAs should not split the resources into small figures that are being allocated/transferred to lower levels of village and ward. During the budget preparation, LGAs should not make many projects that allocated little amount that do not bring any impact to the communities. During the review of Information detailed in the LGAs budgetary plans for the year of study, it revealed that more development projects, funded by LGCDG programmes distributed to villages and wards basing on the number of their population density due to memorandum of understanding that guide the use of LGCGD, hence the amount set to implement various projects does not cover the total

project costs compared to the real project cost that needed to complete the respective projects.

- The communities should be involved in full during the preparation of budget estimate that demand them to make their contributions during the implementation. The communities are essential parts for the implementation of budgetary plans, since more development projects are being undertaken to the level of wards and villages. Also, some projects demand communities contributions as their memorandum of understanding were being directed such as TASAF programme, DASIP programme, LGCDG programme and other programmes. The information obtained from the field using questionnaire, 19 respondent from LGAs head office replied that the contributions are not made on time equivalent to 63% and 11 respondents agree that the contribution are made within time, equivalent to 37%.

From the beginning, the communities should be involved in the budget preparation so as to allow them to provide their inputs and be aware of the need to be fulfilled during the implementation of the approved and funded projects to their respective areas.

## **CHAPTER FIVE**

### **DISCUSSION OF THE FINDINGS**

#### **5.0 Introduction**

This chapter provides the detailed discussions of findings from the study basing on the three specific objectives of the study set in chapter one together with correspondent three questions raised to support the intended study. Specific objective one, relate with the findings from question one, Specific objective two relate with findings from question two and the third specific objective also relate with findings under question three.

#### **5.1 Causes of insufficient implementation of LGAs budgetary plans.**

The first specific objectives were concerned with to identify and analyze the causes of insufficient implementation of LGAs budgetary plans. The findings discussions are described as follows;

- Delay of fund transfer from Central Government to LGAs for most programmes. Since the information collected from the field indicate that fund were being delayed for almost two months basing on the year of study. This situation ascertained from District Treasurer and review of acknowledgement receipt made to the LGAs of the study. The activities being included in the LGAs budgetary plan scheduled to be undertaken from the beginning of the financial year that is 1<sup>st</sup> July, 2011, were not undertaken as arranged. The sample of activities that were not taken include the procurement of office supplies that enabled the daily operation of offices such as office stationery, fuel to undertake the supervision and monitoring of various LGAs activities to the rural area, payment of casual labours cleaning the LGAs market area and most streets.
- Fund for some programmes not being provided in full as estimated in the annual LGAs budgetary. During the data collection from the field, it reviled that funds for some programmes were not delivered as budgeted for. For example the LGCDG budgeted amount to LGAs were not completely received as budgeted,

this make some activities to be funded by the LGCDG programme were not undertaken especially the village and ward projects ends up by either receiving half of their budgeted amount. The information collected from the Planning and Policy Department ascertains that fund transfers were being made basing on the amount being received from the central government.

Capitation fund to support the operation of primary and secondary schools were not received completely, as the result the transfer made to respective primary and secondary school for the year of study was not complete as expected. The information collected from Education officer indicate that the school operation were not undertaken as planned for. Also there fund allocation for undertaking and supporting the forest activities to the LGAs of study, Participatory Forest Management (PFM) were not received at all to either LGAs of study. The overall information collected from the field show that the actual amount received by LGAs from Mara Region including own revenue being collected by LGAs and Grants from central government was equivalent to 78% of the total year budget estimates for the financial year 2011/12. This implies that almost 22% of budget estimates to all Mara region LGAs were not collected

- Fund not transferred on time from LGAs head office to lower levels of villages and wards. The villages and wards are the LGAs units for implementing the various programmes such as construction of Classrooms, Teacher's houses , Dispensaries, Village and Ward offices, Health Centres, Rural Roads and facilitate acquisition of Schools, Village and Ward Offices and Health Facilities furniture's, the information obtained from village and ward respondent indicate that the development fund transfer were between the month of December 2011 and June, 2012, due to the development fund received from Central Government between these periods. The answers from 45 respondents out of 55 respondents from villages and wards levels were positively equivalent to 82% showing that

the fund transferred to their level from LGAs between January, 2012 and June, 2012. The situation of delaying the fund transfer to respective area of the project implementation leads the process of undertaking the projects to delay. The study information collected from villages and wards respondent indicate that many projects being coordinated by ward and village start on the period between March to June, 2012.

- Under estimations of the project costs that do not meet the actual cost of some projects being implemented. During the distribution/allocation of resources for the respective financial year to programmes that are being included in the 2011/2012 Annual LGAs Budget Estimates, the fund being allocated to villages and wards basing on population density of the respective area. The information collected from Planning and Policy department, wards and village indicate that there projects that were still uncompleted for three to four years. In Serengeti DC the study found that programmes being funded by District Development Programme (DDP) left uncompleted as planned though the programme last on the end year 2009. For example construction of teachers houses and construction of village offices. In Bunda the projects of fence undertaken at Mugeta Livestock Market funded by LGCDG programme was uncompleted for two consecutive financial years due to the fund being allocated are not enough to cover the whole project costs at once.
- Some Communities do not contribute their portions to facilitate implementation of the intended projects. The communities from each LGA affect the implementations of various development projects either negative or positively especially for those programmes that demand community contribution during their implementation. The study found that area where communities were interested to undertake the projects; they contribute the local building materials such as sand, stones, gravels and bricks within the specified project period frame,

as the result the planned programmes were completed within the performance project time. The information from the study show that out of 30 respondent from LGAs head office 20 agree that the community contribution are not provided on time equivalent to 60% against 10 respondent that replied the community contribution are made on time equivalent to 40%. Once the programmes demand the contribution from the communities before or during the implementation section, the implementation status could be speed up once the community found on the project area meets their requirements on time. The Community development officer from LGAs during the information collection adds that the role of community contribution to the projects leads to success of failure of the project being undertaken.

## **5.2 Impacts of insufficient implementation of LGAs budgetary plans.**

The second specific objective is to study and identify impact that this insufficient implementation has in the society. The discussion is made under here.

- The services intended to the communities provided partially or delayed to be provided or not provided at all. The LGAs undertake their duties so that they aim to provide services or improve the service delivery to the communities found on their territories. Once the planned activities from the respective financial year being not undertaken due to delay, lack or insufficient fund being released from the respective source, the expected service delivery to the communities also become disrupted. During the study, it revealed that fund from Central Government delays for at most two months, this situation drives all programmes that are intended to be carried on from the beginning of the financial year of 2011/2012, also delay for at most two months.

30 respondents from LGAs head office respond positively equivalent to 100% that the fund being received between 20<sup>th</sup> August, 2011 and 20th June, 2012. As the result of fund being delayed, it implies that the projects being planned ends

up without completed on time and could be affected by financial inflation as the result the expected cost rise compared to the estimate.

- Communities moral to support various government programmes become demoralized once the budgeted projects being not undertaken on time or not yet undertaken as planned. The information collected from the study show that community moral to implement various projects by providing local building materials become demoralized due to some projects that previously established did not completed and new projects being planned especially if it is different project from other sector.

Also sometime within the same community, more than one project for example projects from education sector, agriculture sector, water sector or health sector could be allocated within one ward or village, but all projects require community contribution. The community could either manage to contribute to some or only one project while other left un contributed up to the end of the financial year. The result show that out of 30 respondents from LGAs head office, 20 respondents agree that contribution are not made on time equivalent to 60% and 10 respondent replies that the community contribution are made on time, equivalent to 40%.

- The gap of development from one part of LGAs to other become large compared to other area. The information obtained from the LGAs of study indicates that the gap of development from one village or ward exists. The causes found from the study were most area with higher population density receives much allocation of resources compared to area with less population density that receive little allocation of resources. Basing on the budget allocation of the financial year 2011/2012, Tarime DC and Musoma DC get 20% of the Mara Region LGAs

budget, Bunda DC receive 19%, Rorya DC get 15%, Serengeti DC get 14% and Musoma MC receive only 12%.

### **5.3 Ways to improve the LGAs budgetary plans implementation.**

The specific objective three were concerned to study and analyze issues that should be done to improve the LGAs budgetary plans implementation. The discussion of the finding and the objective is provided on the bullet below.

- The resource allocation should be based on the priorities of the development strategic plans of the LGAs instead of using population density. The study found that the area that have fewer population receive less resources compared to areas with higher population, as the result more programmes that need to be implemented, lack fund and become pending for several years. More resources were allocated to area with higher population density than area with fewer population. This implies that development to the remote area will take so long time to come compared to the area located in town or near trade Centre.

From the data collected during the study, Tarime DC, Musoma DC and Bunda DC are LGAs with higher population density compared to other LGAs of Rorya DC, Serengeti DC and Musoma Municipal, as the result they receive more resources than other LGAs.

- The Central Government should improve the arrangement of transfer of fund to LGAs to meet the implementation of programmes that need to be started from the beginning of each financial year. The central government system of collecting and transferring funds to LGAs should be improved to ensure that funds are released on time to ensure that all programmes that are planned to be started from the beginning of the financial year are undertaken. Also the fund should not be transferred to the end of the financial year. These leads to unutilized fund that remains to LGAs and rollover to the next financial year.

- During the study, the information collected from LGAs indicate that in the financial year 2011/2012, Mara Region LGAs received fund released from Central Government between August, 2011 to June, 2012. This implies that programmes that need to be funded by the transfer made by the Central Government, including other charges expenditure, development projects and common basket fund were being delayed to be implemented by LGAs almost to the tune of two months from the start of the financial year 2011/2012. This situation proved by 30 respondents from LGAs head office that respond positively equivalent to 100% that fund received by LGAs between 20<sup>th</sup> August, 2011 to 20<sup>th</sup> June, 2012. This situation lead to lag behind the implementation status of the programmes being included in the LGAs Budgetary plans for the respective financial year, where by improvement of fund transfer should be made to match with the implementation timetable.
- The LGAs should not split the resources into little figures that are being allocated/transferred to lower levels of village and ward. During the budget preparation, LGAs should not make many projects that allocated little amount that do not bring any impact to the communities. During the study, information obtained from Planning and Policy department displaying in the LGAs budgetary plans, indicate that the projects being set to the ward and village level range from 4,000,000 for the project of rehabilitation of health and school building that were being funded by LGCDG, as being required by the guide line of distributing the fund basing on population density. Most programmes such as Health Sector Development Programmes allocate to the tune of 45,000,000 for the project of construction of Dispensaries, that amount was reasonable to implement the projects.

To speed up development process to villages and wards that have less population density, the Central Government in collaboration with the LGAs should provide more resources so as to increase the speed of acquiring the essential service

delivery infrastructure such as health facilities, education facilities water systems and road networks to attract more people to leave on the respective areas.

- The communities should be involved in full during the preparation of budget estimates that demand them to make their contributions during the implementation. The communities are essential parts for the implementation of budgetary plans, since more development projects are being undertaken to the level of wards and villages. Also, some projects demand communities contributions as their memorandum of understanding are being directed such as TASAF programme, DASIP Programme and other programmes.

From the beginning period of preparation of the budgetary plans, the communities should be involved in order to allow them to provide their inputs such as portion of the project to be contributed for, the project of their priorities and be aware of what need to be done during the implementation of the approved and funded projects to their respective areas. The study found that out of 30 respondents from the LGAs head office, 20 respond negatively that the community did not contribute within the specified project time equivalent to 67% and 10 respond positively that the community contribute on time, equivalent to 33%.

## **CHAPTER SIX**

### **SUMMARY, CONCLUSIONS AND POLICY IMPLICATIONS**

#### **6.1 Summary**

The study was being conducted to Mara Region LGAs namely Tarime DC, Musoma DC, Rorya DC, Serengeti DC, Bunda DC and Musoma Municipal. The study topic was the impact of insufficient implementation of LGAs budgetary plans considering the financial year 2011/2012 as the year of references to all LGAs. The study divided into three main stages research proposal preparation, collection of data from the study area (Mara Region LGAs) and analysis and report writing basing on the information obtained from the field.

#### **6.2 Conclusions**

The information obtained from the study enabled the researcher to present the findings, discussion of the findings were made basing on the information analysed from the study, and revealed that there impact associated by the insufficient implementation of the LGAs budgetary plan to the communities. Basing on the decision criteria, the impact to the communities is greater, since the overall budget implementation during the financial year 2011/2012, is equivalent to 73%. The study findings and discussions made on chapter four and chapter five of this report show in detail the cause of impact being facing the communities, because some intended services and activities were not provided on time and most of them are not yet provided due to the shortage of resource that being not provided as budgeted for.

Also the case of resource allocation that was being applied by Central Government and LGAs did not bring any big changes to the respective communities. This caused by the system of allocating resources basing on the population density of the respective area to undertake the development and other programmes that are being intended to be implemented as the result, some area get less resource allocation compared to other. This

situation should be rectified to allow the resource allocation being based on other criteria such as poverty and need of essential basic service provision facilities such as roads network, school facilities, health facilities, availability of clean and safe water for domestic and cattle uses.

The level of education to lower levels of villages and wards should be improved, to bring on personnel with qualification that match to the current demand of the administrator. Form IV levels to majorities of ward and village executive officer also bring the gap to implement the LGAs budgetary plans for the respective year. As the speed of development in technology has been changing rapidly, the employment criteria for new staff especially to the lower levels should be improved to start at most with holder of certificates, diploma and degree from recognized institutions, because candidate with college level were trained on management skill that enabled them to handle their duties respectively.

In order to increase the ownership of the projects being planned to be implemented to the communities, sensitization meeting should be conducted before projects being identified to allow them to be aware of the programmes that are going to be implemented for the coming period. This will improve the participation to programmes that demand community contribution to enable the performance of the projects within the specified period. The best example was referenced from the TASAF programme, that being made sensitization during the identification of the projects and communities are required to propose the projects that was their priority need. During the sensitization meeting, the contribution from the community were identified and included to the project estimate costs.

Lastly the Central Government need to change the system of transferring funds to the LGAs to reduce the impact facing the communities, the information obtained from the study, reflected that the fund transfer delayed for almost two months from the beginning

of the financial year 2011/2012 and the final fund release made on the end of June, 2012. The arrangement of fund transfer should start at the beginning of the financial year and ends on May or at the beginning of June, to allow activities that scheduled to be implemented from the beginning of the financial year. This changes if adopted will support LGAs to implement the budgetary plans according to the implementation time frame and reduce the possibility of remaining with unspent amount at the end of financial year.

### **6.3 Policy Implications**

The LGAs implement its responsibilities directed by Central Government and from budgetary plans basing on department wise where by policies developed by responsible Ministries need to be implemented. Most of the policies that required to be undertaken by LGAs were;

- Water Sector Policy of 2002, its aim is to provide a comprehensive framework for sustainable development and management of the nation's water resources, in which an effective legal and institutional framework for its implementation will be put in place. Its overall objective to LGAs is to ensure full participation of beneficiaries in planning, construction, operation, maintenance, and management of community based water supply schemes in rural areas. As LGAs discharge their responsibilities relating to water department, should implement the requirement included in the policy. LGAs budgetary plans relating with water department should reflect the requirement being demanded by the policy.
- Education and Training Policy of 1995 aims to guarantee access to pre-primary and primary education, and adult literacy to all citizens as a basic right and Government shall promote and ensure equitable distribution of educational institutions. The secondary education and primary education departments from LGA should undertake their duties with the aim of fulfilling the policy requirement. The education departments budgetary plan should link with the

national policy requirement so as to deliver the education services to the community and secure the result that were targeted by national at whole.

- Health Sector Policy of 1990 (revised 2003) is aimed to provide direction towards improvement and sustainability of the health status of all the people, by reducing disability, morbidity and mortality, improving nutritional status and raising life expectancy. The policy recognizes that, good health is a major resource essential for poverty eradication and economic development. LGAs through the health department discharges duties concerning with health matter basing on the policy being issued by the Ministry of health. All budgetary plans should reflect priorities identified in the policy, though it become difficult to implement them during the same financial year, the priorities from one point of the LGA should be ranked accordingly and being implemented basing with the allocation of resource.

Basing on the requirement of the policies issued by respective Ministry, the LGAs fail to meet fully implementation of the budgeted plans within specified time frame due to various reasons as detailed in the discussion of findings as the result the policies requirement fail to be fully implemented by the LGAs. Due to insufficient of resources being allocated for every financial year, the implementation of all planned programmes fails to reach the predetermined policy objective. The situation facing our nation today such as questionable health services delivered, dramatic drop of education performance, full time passable roads to the rural areas resulting from slow performance of previous LGA budgetary plans, or responsible sectors fail to deliver the previous budgetary plans.

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## APPENDIX

### STUDY QUESTIONNAIRE

Questionnaire Number: \_\_\_\_\_

LGA Name: \_\_\_\_\_

LGA Vote Code: \_\_\_\_\_

Name of Respondent: \_\_\_\_\_

Title: \_\_\_\_\_

Department: \_\_\_\_\_

Date responded: \_\_\_\_\_

Respondent Education Level: \_\_\_\_\_

Respondent Sex: \_\_\_\_\_

This questionnaire consists of closed and open ended questions. It consist three section of questions, where by respondents from councils headquarter will respond on section one and two, third section will be responded by ward/village executive officers.

- Section one: Questions comprises of the information from the LGAs, which relate with the budget preparation processes. The questions from this section sick information about financial modalities, sources of funds allocated for the financial year 2011/2012. *[Tick to appropriate answers and provide remarks if any for every closed question in the table and provide a brief narration answers for open questions].*

| QUESTION                                                                                                                                                                                                                          | YES | NO | N/A | REMARKS |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-----|---------|
| 1. Are written departmental accounting, policy, and procedural manuals regularly updated and distributed to appropriate personnel within the LGAs?                                                                                |     |    |     |         |
| 2. Is a current link of the LGA's Policies and Procedures Manual, Purchasing Policies and Procedures Manual, and other related policies and procedures manuals available to the staff with responsibility for the key activities? |     |    |     |         |
| 3. Did the budget ceiling being applied during the preparation of LGAs annual estimate provided by Central Government for Personal Emolument (PE), Other Charges (OC) and Development Budget?                                     |     |    |     |         |
| 4. Did the budget document include the priorities arising from the Wards and villages reflecting crucial issues?                                                                                                                  |     |    |     |         |
| 5. Did the budget estimates comprises all sources such as the Government Grant, Development Partner and Own Source Collection?                                                                                                    |     |    |     |         |
| 6. There any political issues arising during the preparation of the LGA's budget estimates?                                                                                                                                       |     |    |     |         |
| 7. The community contribution demanded during the implementation of most programmes are being identified during the planning session?                                                                                             |     |    |     |         |
| 8. Did the fund from Central Government and Development partners being received in the total as budgeted during the financial year 2011/12?                                                                                       |     |    |     |         |
| 9. There any funds for programmes which not yet received for implementation purposes during the respective financial year?                                                                                                        |     |    |     |         |
| 10. Did the wards or villages get feedback of the LGA's budget plan after being approved by the Parliament for observe their budget allocation?                                                                                   |     |    |     |         |

11. Provide the budget estimated revenue being allocated to the council for the financial year 2011/2012 basing on the items provided below and its actual collection as at 30 June, 2012.

| REVENUE SOURCE             | BUDGET<br>ESTIMATE<br>2011/2012 (SHS.) | ACTUAL<br>COLLECTION<br>2011/2012 (SHS.) |
|----------------------------|----------------------------------------|------------------------------------------|
| Government Recurrent Grant |                                        |                                          |
| Government Capital Grant   |                                        |                                          |
| Development Partners       |                                        |                                          |
| Own Source Revenue         |                                        |                                          |

12. Provide the budget estimates, actual collections and actual expenditure for the financial year 2011/2012 from the following items:

| REVENUE SOURCE             | BUDGET<br>ESTIMATE<br>2011/2012 (SHS.) | ACTUAL<br>COLLECTION<br>2011/2012 (SHS.) | ACTUAL<br>EXPENDITURE<br>2011/2012 (SHS.) |
|----------------------------|----------------------------------------|------------------------------------------|-------------------------------------------|
| Government Recurrent Grant |                                        |                                          |                                           |
| Government Capital Grant   |                                        |                                          |                                           |
| Development Partners       |                                        |                                          |                                           |
| Own Source Revenue         |                                        |                                          |                                           |

13. The Council had a total of ..... departments, a total of ..... departments have proper head of departments and .....have acting head of department.

14. What was the Audit Opinion the Council get for the year 2010/2011.

.....

15. The first fund transfer from Central Government and Development partners received by council on..... and the last fund transfer received on ..... during the financial year 2011/2012.(Provide the date, month and year).

- Section two: Questions refers to procedures for funds allocation, the legal framework for the stated type of financial support, the method of collecting revenue, the method of monitoring implementation of approved projects/programmes, as well as the evaluation of achieved results of approved projects from the financial year 2011/2012.

| QUESTION                                                                                                                                             | YES | NO | N/A | REMARKS |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-----|---------|
| 1. Did the fund collected to council spent as per budget plan as detailed in the budgetary plan of 2011/2012?                                        |     |    |     |         |
| 2. There are any uncompleted programmes/projects from previous years being re-budgeted and undertaken during the financial year 2011/2012?           |     |    |     |         |
| 3. There any projects/programmes that left uncompleted after the programmes reach its end or seized the fund transfer to the council from providers? |     |    |     |         |
| 4. Did all funds transferred/collected to council are being banked on organization official bank accounts?                                           |     |    |     |         |
| 5. The acknowledgement of funds transferred/collected by the council                                                                                 |     |    |     |         |

|                                                                                                                                           |  |  |  |  |
|-------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|
| being made to the respective fund providers?                                                                                              |  |  |  |  |
| 6. Did the implementation of wards or villages projects relating with procurement, follow the stipulated council procedures of tendering? |  |  |  |  |
| 7. The community contribution of local materials are being made within the required programmes/projects implementation period?            |  |  |  |  |
| 8. Uncompleted projects/programmes not implemented within the respective financial year, are re-budgeted for the next financial year?     |  |  |  |  |
| 9. There are any programmes/projects being affected by political issues that arise during the implementation period?                      |  |  |  |  |
| 10. Price fluctuation of industrial material differ significantly compared to budgetary plans estimates during the implementation period? |  |  |  |  |

11. The council budgetary plans implemented projects/programmes for the financial year 2011/2012 completed to which extents among the following percentage. [*Tick the appropriate level*] 100%-91%....., 90% -81%..... below 80%.....

There are any programmes/projects that did not being stated at all.....[YES/NO].

If the answer is yes, what percentage approximately make the total number of programmes/projects being not started compared to those stated being implemented.....

12. Did the council approve the transfer of fund to ward and village levels?.....  
[YES/NO]. If the answer is yes, which committee responsible for approval the fund being transferred.....

If the answer is no, how do the council get the approval transfer of the fund to lower levels.....

13. The fund transferred to ward and village level, the council channeled the fund to the wards or villages bank account or transferred hard cash.  
.....

14. The ward and villages do prepare and submit the quarterly financial report to council, detailing the programmes/projects being undertaken?.....  
[YES/NO]. If the answer is no, how do the council get the feedback of implementation form wards/villages.....

15. How many wards and villages the council have?.....wards  
.....Villages. Do all council ward and village have proper employed executive officers?..... [YES/NO]. If the answer is no, fill the number of wards and villages that have acting executive office. Number of wards are..... and Number of villages are.....

- Section three: Questions from this section should be field by ward/village executive officers only, the information should base on financial year, 2011/2012.

| QUESTION                                                                                                                                          | YES | NO | N/A | REMARKS |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-----|---------|
| 1. Did the programmes/projects allocated to ward/ village received the fund for implementation during the financial year 2011/2012?               |     |    |     |         |
| 2. There are any uncompleted programmes/projects from previous year that need to be re-budgeted for completion for the future financial year?     |     |    |     |         |
| 3. Did the fund transferred to ward/village channeled through the bank account operated by the ward/village?                                      |     |    |     |         |
| 4. There are any political issues that hinder the implementation of programmes/projects at ward/village levels?                                   |     |    |     |         |
| 5. There are any matter(s) arising from community cultural affecting the implementation of the LGA budgetary plans for the year 2011/2012?        |     |    |     |         |
| 6. There are any reported frauds resulting from misuse of the fund being received at ward/village levels?                                         |     |    |     |         |
| 7. The ward/village political leaders are being involved during the implementation of the LGA's programmes?                                       |     |    |     |         |
| 8. Did the council headquarter staffs make supportive monitoring and supervision to programmes/projects being implemented at ward/village levels? |     |    |     |         |

9. What is the total budget allocation provided by the Council to ward/village during the financial year 2011/2012? *[provide the total budget allocation figure]*  
 Shs..... When did the ward/villages receive the fund from council to implement the allocated programmes/projects.....  
*[provide the respective date,month and year]*

10. Does the budget allocation made by council originate from the submitted ward/village priorities during the budget preparation session? ..... [YES/NO]. If the answer is yes, the estimate made by ward/village allocated by council at full amount or altered? ..... [Provide the answer in brief].
11. Does the ward/village prepare and provide financial and non-financial report to villagers, council and other stakeholder?.....[YES/NO]. If the answer is yes, what are the contents of financial reports being included in the report .....
12. Does the ward/village conduct the statutory meeting as required by regulations?..... [YES/NO]. If the answer is yes, how many meeting conducted in the previous financial year of 2011/2012.....  
[provide the number of meeting held]. If the answer is no, how do ward/village communicate with the community leaving within the jurisdiction areas?..... .[provide the answer in brief].