

**ASSESSMENT OF VALUE FOR MONEY IN ASDP PROJECTS
THE CASE OF KOROGWE TOWN COUNCIL**

**By
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**A Dissertation Submitted to the School of Business in partial fulfilment of the
requirements for the award of the Degree of Master of Sciences 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 the Mzumbe University, a research report entitled **Assessment of Value for Money in ASDP Projects: The case of Korogwe Town Council**, in partial fulfillment of the requirements for the award of Msc. Accounting and Finance of Mzumbe University.

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DECLARATION

I, Erhard C. Liwa declare that this research paper is my own work and it has not been submitted to any other University or higher learning institute for similar or any academic award.

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ACKNOWLEDGEMENT

I would like to start by giving thanks to God Almighty for seeing me, provide opportunity and grace to study Msc Accounting and Finance. I thank God for his faithfulness and favour. I would like to convey my heartfelt sincere thanks to my wife Salesiana Matembo and my Daughter Milleyeldora E. Liwa who were always supportive and tired less to my absence during the whole research period.

It is my great pleasure to convey my sincere thanks to KTC management for accepting me to undertake this research report. My inner most gratitude and appreciation goes to the Coordinator of ASDP Mr. Simon Kendo and ASDP Facilitator Mr. Louis Materu who was my research supervisor for their support, constructive ideas, guidance and encouragement. However I would like to express my thanks to the Town Treasurer Mr. Khalifa Ally Juma and Town Engineer Mr. Godfrey Mlay for their support.

My heartfelt gratitude also should go to my supervisor Mr. Maziku of Mzumbe University for his guidance, tireless effort, helpful comments and nice advice that enabled me to come up with this report. I also extend special thanks to my family, friends and relatives who understood my busy academic programme and kept the faith. Also I would like to express my sincere thanks to the entire Staffs of Mzumbe University for their hospitality during my entire course period, all those who in one way or another contributed their efforts in writing this research report. The completeness of this study inevitably involves various kinds of inputs from different people. Although it is not possible to thank them all by mentioning one after another on a limited space and time, I would like to give a word of thanks to all those who have taken time and their resources to make this research successful.

God Bless you all.

DEDICATION

This study is dedicated largely to my dearest almighty GOD for shading light on my thoughts and movements, the light that enabled me to produce this report. It is further dedicated to my beloved wife and daughter, friends and all members of my family.

LIST OF ABBREVIATIONS AND ACRONYMS

ASDP.....	Agricultural sector Development Programme
ASDS.....	Agricultural Sector Development Strategy
A-CBG.....	Agricultural Capacity Building Grants
BOQ.....	Bills of Quantity
CAG.....	Controller and Auditor general
CMCs.....	Community Management Committees
DADG.....	District Agricultural Development Grants
EBG.....	Extension Block Grants
GAAP.....	General Accepted Accounting Principle
IFRS.....	International Financial Reporting Standard
IIA.....	Institute of Internal Auditors
INTOSAI.....	International Organization of Supreme Audit Institutions
KTC.....	Korogwe Town Council
LAFM.....	Local Authority Financial Memorandum
LGAs.....	Local Government Authorities
LGCDG.....	Local Government Capital Development Grants
MDAs/RAS.....	Ministries, Departments and Agencies/Regional Administrative Secretariats
NMSF.....	National Multi Sectoral Strategic Framework
PHSDP.....	Primary Health Sector Development Grants Projects.
PMO-RALG.....	Prime Minister’s Office-Regional Administration and Local Government
PMU.....	Procurement Management Unit
PPR.....	Public Procurement Regulation
PPRA.....	Public Procurement Regulatory Authority
Reg.....	Regulation
Sect.....	Section
TALDO.....	Town Agricultural and Livestock Development Officer

USA.....United states of America
UK.....United kingdom
VFM.....Value for Money

ABSTRACT

The study focused on the assessment of value for money in ASDP projects. Specifically the study was intended to assess the performance of ASDP projects mainly on construction projects in order to determine whether the allocated resources have been spent effectively, economically and efficiently.

The study was conducted at Korogwe Town Council. The researcher employed a case study design. The approach used in drawing the representative sample for the study was simple random sampling technique and judgmental sampling technique. A sample of sixty five people formed the total sample size of this study. In carrying out the study, the researcher collected data by using multiple methods including structured questionnaires, interviews, documentary review and participatory observations. Data were analyzed through quantitative methods which involved the use of percentages and tabulation. The researcher based on the greater number and percentage of respondents to draw conclusion. Thus, the researcher decided to take 70% or above as decision criteria basing on the number of persons who responded over the total number of persons respond on the questionnaires provided to them.

The analysis showed that almost all procurement of all visited projects was done at the community level with full participation of Community Management Committees and with support from ASDP management team of KTC. The study found that the community members were not contributing effectively and on a timely manner the agreed financial contributions. There were no environmental measures in implementing the projects since the cost of the environmental measures were not reflected in the budget.

The study revealed that implemented projects observed the allocated resources were spent and resulted in effective, economy and efficiency outcome.

The study recommends that communities should make financial contribution within agreed time before implementation starts. This will help to reduce the time implementation being behind schedule and unproductive projects.

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CHAPTER ONE

INTRODUCTION: PROBLEM SETTINGS

1.0 Introduction

This chapter presents reviewed information and identifies the issues related value of money that is sent to implement the agreed projects and to determine whether they result to bring efficiency, effectiveness and economy to the final users. The chapter present background to the problem which depict the magnitude of value for money in various environment and community involvement ,statement of the problems which indicate the gap to be filled by research findings research objectives ,justification of the study and scope of the study.

1.1 Background to the Study

The increased attention of parliament towards accountability of government and other agencies on the use of public funds has been a major stimulus for the development of concept value for money auditing; especially to the nonprofit making organizations where it becomes difficult to measure standard of performance. However, with the development of the economy and democracy in many countries, tedious checking of government spending has gradually become difficult. In the past few decades, public sector auditing has been evolving into taking a more active and important role in the monitoring of government activities, financially and also on the performance of government programmes in general.

With the development of democracy in many countries, the public are more aware of the performance of their governments. To fulfill the need of the people, elected legislatures in various countries turn to public sector auditors as an institution suitable for the provision of information on the performance of government programmes. Audit offices are given more authority and independent status to enable them to conduct researches and programmes evaluation.

Value for Money (VFM) is an issue which gained much popularity in the last few decades where it looks on the extent to which public funds are expended economically, efficiently and the extent to which the related execution of the budget is effective in meeting public satisfaction. In the early 1970s, the role of auditors began to change dramatically. Changes began in USA, Canada and in several European countries. The elected representatives of the people started demanding information on the efficiency and the effectiveness of public expenditure. They expressed dissatisfaction with the traditional role of audit which focused merely on regularity and compliance aspects. They wanted to know value for money being achieved from the expenditure of public funds. They expected greater accountability from public officials in the management of public funds. The state auditors tried to respond to this challenge and started value for money auditing.

Value for money auditing developed in United States of America and United Kingdom since 1966 and 1983 respectively. This was due to the increase in demand for services and at the same time resources required to meet these needs were limited which brought pressure from the public that public officials be more responsible for their decision and output of their decisions. Against this background, public sector auditor both in USA and UK are being given power to review and evaluate government programmes and suggest alternative policies where appropriate.

In the United States of America, it is termed programme evaluation and in the United Kingdom value for money audit. In some other countries, it is sometimes called performance audit or efficiency audit. In modern term, the value for money audit framework is defined as a methodology which assists in the decision making process of setting output goals and designating resources to meet those goals (Shelton and McNamara, 1992, Chapter 2). Such kind of auditing goes beyond traditional reviews of internal controls and financial statements by reviewing economy, efficiency and effectiveness in the use of resources and in establishing management accountability.

In Tanzania VFM audit was introduced in 2001 where by the Controller and Auditor general (CAG) was given a legal mandate to carry out VFM audit by section 33(1) of the public finance Act No.6 of 2001 so as to make this audit to be undertaken to various organizations. Therefore a researcher conducts a research so as to assess the VFM in ASDP projects and based on the findings the researcher comes up with recommendations for improving performance of such projects.

1.2 Statement of the Problem.

Due to the increase in demands made by taxpayers, donors and the general public for more accountability in the use of their resources. Governments are forced to give information on how resources have been used and whether they have been used economically, efficiently and effectively. This aims at improving programmes and operations, saving tax payers money, providing better services to the public and obtaining best value for money.

Following such situation public auditors have been given the legal mandate to carry out value for money audit so as to verify that money spent according to the accounting books is manifested on site in terms of physical and observable investments. Public auditors are given power to raise issues to the Accounting Officers regarding the actions taken to address potential fraud and prevent recurrence of fraud in the future. Considers different fraudulent issues below:

Between early 2002 and 2009 the Angolan government invested around \$30.4 billion in new infrastructure, hospitals, schools and other public construction projects. These investments have been extraordinarily large against the backdrop of the substantial destruction done to the country's infrastructure during the 27-year civil war. The new infrastructure and public buildings are critically important for economic development. However, the degree to which the people and the government receive value for money from these investments was very low and some of these reconstruction investments disappear in corruption.

In Tanzania, the issue of value for money especially in construction project is a critical problem. Most of the projects have been implemented partially with poor allocation of resources and supervision. Performance and Forensic General Audit Report for the financial year 2009/2010 and 2010/2011 indicates the following issues:

Partial implementation of ASDP activities worth TShs. 85,947,540/=, Procurement of the dam rehabilitation project contract for six villages had violated the Public Procurement Act, 2004 due to lack of procurement knowledge by the Village Secretariats and Improper reallocation of funds TShs.63,680,000/= received by the Council in respect of procuring mattresses, bed sheets, blankets and meals for disabled pupils. This amount was reallocated by the Council Director to finance construction of the 'dining hall' without following proper procedures such as securing approvals from the Councils' Finance and Planning Committee (Misungwi District Council). Inadequate supervision on construction projects amounting TShs. 467,589,885 (Kilindi District Council). Rehabilitation of the Usagara water system project amounting to TShs. 111,271,543/= procurement of water pump was not competitive without justification and there was no Tender Board approval also poor quality of work resulting into wall cracks (Manyoni District Council).

These are some of the projects which indicate poor value for money secured, therefore there is a need for the government organizations to make sure they manage and monitor VFM audit to be effective so as to satisfy public needs. This study assesses the VFM audit in ASDP projects and come up with recommendations for improving performance of the project.

1.3 Objectives of the Study.

Objectives of the study had been categorized as general and specific objectives;

1.3.1 General Objective

The overall objective of carrying out this research is to assess the performance of the ASDP projects in order to determine whether the allocated resources have been spent

effectively, economically and efficiently. The results of this research give the suggestions to ASDP management unit so as to improve performance of the project.

1.3.2 Specific objective

Along with the above general objective, the study specifically aimed:

- a) To assess whether completed projects achieve the intended objectives.
- b) To determine how procurement process take place during projects implementation as well as how contract price is achieved.
- c) To identify whether constructions conform to design and quality.
- d) To determine social economic impact associated with implementation of ASDP supported projects.

1.4 Research Questions.

Research questions help the researcher to formulate questions to ask the respondents when collecting data. The study aimed to answer the following questions;

- a) Do all projects achieve their intended objectives?
- b) What types of procurement methods are used and how contract price is achieved when projects are implemented?
- c) Are the completed projects/constructions conforming to design?
- d) What do you regard to be the most critical problems, if any, associated with implementation of projects supported by ASDP?

1.5 Scope of the Study

The study focused on assessing the performance of ASDP projects whereby it determines whether the allocated resources such as funds, human resources and others have been spent effectively, economically and efficiently. The study were conducted in villages of Korogwe Town Council such as Kwamsisi, Kwakombo, Old Korogwe, Kwamndolwa, Kwamgumi and Kwamdulu. The study is conducted in Korogwe Town villages because the ADSP projects are implemented there.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction.

This chapter presents a reviewed critical summary of the readings on the topic under study and identifies gaps and weaknesses in prior studies. The chapter presents the literature review in two major parts, precisely: theoretical and empirical literatures which related to the research subject with the objectives of expanding knowledge and familiarizing the user with the opinions of different authors with regard to Value for Money Audit.

2.1 Theoretical Literature

The research surveyed different studies in similar topic of value for money audit from various sources with special focus on evaluating effectiveness, efficiency and economy of the operation.

2.1.1 Definition.

Auditing is a systematic process of objectively obtaining and evaluating evidence regarding assertions about economic actions and events to ascertain the degree of correspondence between these assertions and established criteria and communicating the results to interested users. (Hayes et al 1999 p.9)

OR

Is the accumulation and evaluation of evidence about information to determine and report on the degree of correspondence between the information and established criteria. A competent, independent person should do Auditing. (Arens et al 2000 p.3).

2.1.2 Types of Auditing.

The following are the three types of Auditing (Hayes et al 1999 P.11).

- Financial statement audit.
- Compliance Audit.

- Operational or performance or value for money audit.

2.1.2.1 Financial Statement Audit.

This is an audit which examines financial statement to determine if they give a true and fair view or fairly present the financial statements in conformity with specified criteria. The criteria may be International Financial Reporting Standard (IFRS) or General Accepted Accounting Principles (GAAP), although it is also possible to conduct audits of financial statements prepared using the cash basis or some other basis of accounting appropriate for the organization. The financial statement most commonly included are the balance sheet, income statement and cash flow statement. (Hayes et al 1999 p.11)

2.1.2.2 Compliance Audit.

This is an audit, which review organization's procedures to determine whether the organization (auditee) is following specific procedures, rules or regulations set out by higher authority. It measures the compliance of an organization with established criteria, the results of compliance audits are generally reported to management within the organization unit being audited. Also it depends upon the existence of verifiable date and recognized criteria or standard, such as established laws and regulations or an organization policies and procedures. (Ares et al 2000 p.5)

2.1.3 Operational Audit or Value for Money Audit (VFM).

This is an audit which reviews all or part of the organization's operating procedures and methods for the purpose of evaluating effectiveness and efficiency of the operation. At the completions of an operational audit, recommendations to management for improving operational are normally given. (Hayes et al 1999 p.11)

2.1.4 The ethical base of auditing.

According to (Chamber's et al 1987 p.323) the code of ethics of Members of the Institute of Internal Auditors (IIA) has its own code. The provisions of this code of ethics cover basic principles in the various disciplines of auditing practice. Members

shall realize that individual judgment is required in the application of these principles as follows:

- Members should have an obligation to exercise honesty, objectivity and diligence in the performance of their duties and responsibilities.
- Members in holding the trust of their employers should exhibit loyalty in all matters pertaining to the affairs of the employer or to whomever they might be rendering a service. However, members should not knowingly be a party to any illegal or improper activity.
- Members should refrain from entering into any activity which might be in conflict with the interest of their employers or which would prejudice their ability to carry out objectively their duties and responsibilities.
- Members should not accept a fee or a gift from an employee, a client, a customer or a business associate of their employer without the knowledge and consent of their senior management.
- Members should be prudent in the use of information acquired in the course of their duties. They should not use confidential information for any personal gain nor in a manner would be detrimental to the welfare of their employer.
- Members, in expressing an opinion, should use all reasonable care to obtain sufficient factual evidence to warrant such expression.
- Members in their reporting should reveal such material facts known to them, which if not revealed could either distort the report of the results of operations under review or conceal unlawful practice.
- Members should continually strive for improvement in the proficiency and effectiveness of their service.
- Members should abide by the articles and uphold the objectives of the IIA.
- Members in the practice of their profession, they shall be ever mindful of their obligation to maintain the high standard of competence, morality and dignity, which the IIA and its members have established.

The primary purposes of internal auditing are to review and assess an organization's policies, procedures, and records and to review and assess an organization performance given its plans, policies and procedures.

2.1.5 What is Value for money Audits

Value for Money Audit (VFM) is an audit of economy, efficiency and effectiveness with which the audited entity uses its resources to achieve its goals. It aims at increasing the effectiveness of the state entities and programmed using lay down and clearly explained auditing standard and practice within the mandate of an independent audit institution whose authority is defined by relevant acts. (INTOSAI 2004 p.11)

2.1.5.1 What does auditing of the economy, efficiency and effectiveness mean?

Economy, efficiency and effectiveness often known as the three E's which it form the theoretical plat form for VFM audit, this is the useful concepts that guide the auditor when formulating problems and outlining the general direction of the audit. According to (INTOSAI 2004 p.15)

❖ Economy.

Means keeping the cost low i.e. minimizing the cost of the resources used for an activity having regarded to appropriate quality. Therefore, economy refers to the amount of resources needed to acquire/produce highest output at lowest cost.

Audit of the economy may provide answers to question such as;

- Are human, financial or material resources have been used properly?
- Are the management activities performed in according with sound administrative principles and good management policies?

❖ Efficiency.

Making the most of the available resources, it shows how well an organization uses its resources to achieve its goals. It shows how much has been achieved in terms of quantity and quality for a given level of input in terms of quantity and quality. Efficiency is related to economy, the central issues concern the resources deployed.

The main question is whether these resources have been put to optimal or satisfactory use. Are we getting the most output in terms of quantity and quality from our input and actions?

The question refers to the relationship between the quality and quantity of services provided and the activities and cost of resources used to produce them in order to achieve results.

❖ **Effectiveness.**

Achieving the stipulated goals and objectives of a certain activity, it measures the extent to which outputs produced and the use of policies and procedures has achieved the stated goals and objectives of an organization. Effectiveness is essentially a goal attainment concept it is concerned with relationship between output and the planned objectives.

2.1.5.2 The basis of Value for Money Auditing

Public accountability means that those in charge of a government program or ministry are held responsible to accomplish their responsibility according to approved standards with economy, efficiency and effectiveness. Accountability presupposes public insight into the activities of the program or ministry. VFM audit is a way for taxpayers, financers, legislatures, executives, ordinary citizens and the media to execute control and to obtain insight into the running and outcome of different government activities. VFM audit also provides answers to question such as; do we get value for money or is it possible to spend money better or more wisely? A criterion of good governance is that all public services are subject to auditing.

- Firstly, it is important to assess the economy, efficiency and effectiveness in all government activities and for that purposes an audit is needed to examine and evaluate such matters and which may contribute to better government spending, better public services and better public accountability and management.

- Secondly, it is important to have reliable and independent information. An examiner is needed who represent the public interest; who can think and act independently in order to show and question the current situation.
- Finally an overview and insights into government activities and the ability to influence and improve its performance are important. A competent examiner is needed who can fulfill this role, which will promote incentives for learning and change and improved condition for decision-making. (INTOSAI 2004 p.12)

2.1.6 Features of VFM audit.

- As stated in the auditing standard VFM audit is not overly subject to specific requirement and expectations.
- VFM audit is more flexible in its choice of subjects, audit objects, methods and opinion.
- VFM audit is not regular audit with formalized opinion, and it does not have its roots in private auditing, it is an independent examinations made on a non-recurring basis.
- VFM audit by nature wide ranging and open to judgment and interpretation, it must have at its disposal a wide selection of investigative and evaluative methods and operate from a quite different knowledge base to that of traditional auditing. It is not a checklist-based form of auditing.
- The special future of VFM audit is due to the variety and complexity of questions relating to its work, within its legal mandate, VFM audit must be free to examine all government activities from different perspectives. The character of VFM audit must not, of course, be taken as an argument for undermining collaborations between the two types of auditing.(INTOSAI 2004 p.12)

2.1.7 Stages in VFM audit process.

The VFM audit process covers several steps. It comprises the planning, the caring out of the main study (execution), reporting and follow up. Each one these processes can be divided into different stages according to (LENNART 1999 p.53).

2.1.7.1 Planning

- Planning and selection of audit topics
- Completion of the pre study and work

The purpose of the planning is to select suitable areas for audit, identify audit problems and prepare execution of the main study. Before the planning of the individual audit it is necessary for management to make strategic choices on criteria and priorities that can guide the auditors through the selection process. The first stage after this is usually areas' watching that is followed by general surveys, if that is required for the analysis of potential themes and topics. Once audit areas has been selected for VFM audit, a pre study resulting in a work plan for a main study a may be undertaken to gather information in order to be able design a proposal for a main study.

2.1.7.2 Execution

- Collection and analysis of audit evidence
- Drafting of the report

The carrying out of the main study consists of collection, documentation and analysis of audit findings and is completed with the drafting of the audit report. The report drafting stage is a continuous analytical process of formulating, testing and assessing audit findings, conclusions and recommendations. Issues such as the expected impact and value of the audit should also be considered throughout the documentation and analysis of audit evidence. The emphasis should be on the production of a final report to be considered by parliament and presented to the government and the audited entities.

2.1.7.3 Reporting

- Clearance of the report
- Presentation of the report

The reporting stages involve clearance of the report through reviews, quality control and exit meeting with the audited and submission of the report to parliament and stakeholders.

2.1.7.4 Follow-up

Follow –up of audit recommendations to assess its effectiveness.

The follow up process identifies and documents audit impact and the progress the audit has made in implementing audit recommendations. Such processes are vital to provide feedback to the parliament.

2.1.8 Reasons for VFM audit.

According to (LENNART 1999 p.17) the following are the reasons for carrying VFM audits;

2.1.8.1 Accountability and Democratic insight.

Public accountability means that those put in charge of a government programme or ministry are held responsible for the efficient running of that programme or ministry. Accountability in turn presupposes that there is public insight into the activities of the programme or ministry. VFM audit is an important way for taxpayers, financiers, members of parliament, ordinary citizens and the media to obtain insight into the running and outcome of different government activities. Insight is facilitated by the fact that VFM audit is independent of the government ministries whose activities are subject to the audit. In this way, an independent and alternative view of the performance of the auditee is obtained. The VFM audit does not represent any vested interest and has no ties, financial or otherwise, with the auditee. The auditors view often stands in contrast to the picture presented by those responsible for the activities in question.

2.1.8.2 Substitute for market mechanism.

The private sector has an automatic system for assessing a company success, namely the market mechanism and the making of profits. A successfully company will make a profit and stay on the market while unsuccessful one eventually will go bankrupt and will be forced to leave the market. Such a mechanism does not exist in the public sector.

In this sense VFM audit in the public sector may serve as a substitute for the market mechanism of the private sector.

2.1.8.3 Basis for decision making.

When resources are scarce emphasis must be put on deciding which programmes and ministries should be given priority. VFM audit may serve as a basis for decision on future investment and priorities.

2.1.9 Differences between VFM audit and financial audit.

VFM audit differs in many ways from financial auditing, not only when it comes to the theoretical starting point but also in practical aspects of the work. The main differences are summarized in the table below according to (LENNART 1999 p.23)

Table 2.1.9: Differences between VFM audit and financial audit

ASPECT	VFM AUDITING	FINANCIAL AUDITING
Purpose	Assess whether the auditee activities are effective, efficient and economy.	Assess whether the accounts shows a true and fair view.
Focus on	The organization and programme and its activities.	The accounting system and management systems
Academic base	Multi-discipline such as Economics, political science, sociology, law, accounting and more analytical skills.	Accounting
Methods	Vary from project to project (manuals of limited importance).	More or less standardized (manual of great important).
Assessment criteria	More subjective and unique criteria for the individual audit.	Less subjective standardized criteria suitable for all audits.
Reports	Varying structure and content published on adhoc basis.	More or less standardized, published on regular basis.

2.1.10 Similarities of VFM audit and financial audit

At the same time VFM auditing and financial auditing have number of similarities.

- The two types of audits carry out the same type of task, namely to asses and explain the performance of the auditee.

- They use somehow similar methods of collecting data. Example observation, interviews and document review.
- The two audits have the same mandate to carry out the audit, the same obligation to the client and the same type of support in the shape of International Corporation, standard and discussion. (LENNART 1999 p.24)

2.1.11 Value added by VFM audit.

VFM audit may answer questions like;

- Are the intentions met, and are we getting value for money?
- Are the government departments operating economically and efficiently?
- How can existing problems of economy, efficiency and effectiveness are reduced? (INTOSAI 1999 p.13)

2.2 Empirical Literature

This section review evidence from previous studies and practitioners with regards to research topic. In establishing the conceptual framework the researcher will give out the way the research should be conceptualized.

2.2.1 Procurement of goods

Procurement of goods, works and services utilizes a great part of project expenditure. Irrespective of the importance of expenditure, the procurement sector and construction sector in the country is evidenced to experience persistent problems in time management, cost control, and quality of the completed works. Given the importance of these sectors and the above mentioned problems, consider issues raised from previous years audit report in Tanzania. (Annual General Audit report on the financial statements of Local Government Authorities for the financial, year 2010/2011)

Procurement of Goods and Services without Tender Board Approval TShs.239, 984,297/=. Reg. 7 of the Local Government Authorities Tender Boards and Sect. 34 of Public Procurement Act No. 21 of 2004 require Councils to form Tender Boards. The

Local Government Authority Tender Boards were designed to ensure that, value for money and high quality of goods and services is obtained by the Council in the course of procurement. However, contrary to the cited laws, a test check discovered that, seven Councils during the financial year 2010/2011 made procurements without obtaining approval of the Tender Board.

Procurement of Services from Unapproved Suppliers TShs.272, 623,633/=. Reg. 67 (3) of the Public Procurement Regulations, 2005 states that except where suppliers, contractors or service provider have already prequalified, a procuring entity issuing a restricted tender shall seek tenders from a list of potential suppliers, broad enough to assure competitive prices. However, a test check of payment transactions revealed that, an amount totaling to TShs.272, 623,633/= in respect of 19 Councils were paid to various suppliers of goods and services who were not in the Council's list of approved suppliers for the financial year 2010/2011.

Procurements Made without Competitive Bidding Shs.397, 571, 968/=. Review of procurement records for the financial year 2010/2011 discover an amount totaling to TShs. 397,571,968/= expended by Councils for procurement of works, goods and consultancy services without following competitive bidding process contrary to Reg. 63 of the PPR of 2005. Non-adherence to standard procurement procedures may cast doubt on whether the value for money and high quality goods/services was achieved by the Councils.

Stores not recorded in Ledgers Shs.594, 164,665/=. Order No. 207 of the Local Authority Financial Memorandum of 1997 requires a record of receipts, issues and physical balances of each item of stores to be recorded on a separate page of the store ledger showing details of purchase like; date of purchase, the goods delivery note, number and the rate per item. Further, it requires the record on date of issue, the quantity of issue, the store issue number, and the physical balance. However, test checks on the management of stores observed that, 22 Councils did not adhere to the above Order.

Goods Paid for but not Delivered TShs.833, 707,405/=. Reg. No. 122 (1) of PPR (Goods, Works, non-consultant Services and disposal of Public assets by Tender) of 2005 requires a procuring entity to obtain reports on the receipt of goods that have been delivered against contracts in order to authorize promptly payment to the supplier. To the contrary, goods worth TShs.833, 707,405/= ordered and paid for in respect of 13 Councils were not delivered.

Poor Projects Management, 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 TShs.1,104,364,692/= for NMSF (41 Councils), TShs.5,848,929,864/= for PHSDP (48 Councils) and TShs.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.

Inadequate Documentation of Contracts and Project Records TShs.4, 452,071,069/=. Adequate documentation of contracts and project records is crucial for easy reference and effective execution and monitoring of the contracts and projects. A systematic documentation would also facilitate easy access to information by the Councils themselves and other interested parties including Development Partners and Auditors. However, review of contracts management during the year under review revealed a number of inadequately documented contracts where, vital information/documents were not attached in the respective contract files including contract agreements, Bills of Quantities (BOQ), Engineers estimates, interim certificates, site minutes, copy of Payment voucher(s), variations if any and procurement made outside the Procurement Plan. The level of compliance to procurement legislations is still inadequate. There is also an increase in monetary terms where, during the year under review, a sum of

TShs.4, 452,071,069/= was noted to have been incurred in expenditure of this nature compared to TShs.1, 755,429,901/= reported in previous year's audit report.

Generally, non-adherence to recommended procurement procedures undermines the principle of competitiveness and value for money. Apart from non-compliance with the Public Procurement Act, value for money on these procurements could also not be ascertained. Therefore procuring entities should follow-up and demonstrate best practice in procurement of goods, services and works, in order to achieve value for money in procurement process.

Also, Local Government Authorities in collaboration with PPRA and PMO-RALG should organize regular training to PMU staff, members of Council Tender Boards; Heads of departments, Accounting Officers and councilors in order to enhance their knowledge about the procurement law and their responsibilities as far as public procurement is concerned. Lastly, information on funds transferred to LGAs should be released to the Councils as soon as funds have been transferred to Councils. This information should have a clear clarification on the purpose of the transferred funds. Timely disbursement of approved funds is important to ensure planned activities are implemented smoothly and timely.

Lack of procurement management unit, Section 34 of the Public Procurement Act, 2004 requires the procuring entity to establish Procurement Management Unit staffed to an appropriate level. Study on the compliance with the above provision has revealed significant weaknesses whereby Chief Executive Officers of Public Authorities have not been able to establish the units as per requirement of the law.

Lack of Annual procurement plans, Section 45 of the procurement Act, 2004 a procuring entity is required to plan its procurement in a rational manner and in particular to avoid emergency procurement, aggregate its procurement requirements wherever possible both within the procuring entity to obtain value for money. Also procuring entities are

required to reduce procurement costs and avoid splitting of procurement to defeat the use of appropriate procurement methods and integrate its procurement budget with its expenditure program. However, during year under review most of Public Authorities lack procurement plans in place as a result much procurement was done as the need arise and splitting procurement was noted in some of the transactions done by the procuring entity.

Inadequate independence of procurement functions and powers among pillars, Section 38 of Public Procurement Act, 2004 spells out that Chief Executive, Tender Board, Procurement Management Unit, the User Departments and evaluation committee shall act independently in relation to their respective functions and powers. However, many organization structures of Public Authorities indicated that procurement management units are placed under various user departments such as Finance and Administration department which impairs the independence of the two pillars in procurement process. Unadvertised tenders without plausible reasons for single sourcing, significant deficiencies on advertisement of tender were noted where by tenders for financial year 2007/08 were not advertised by procuring entities.

Generally, all these reports indicate material weaknesses and irregularities to procurement process. These weaknesses include lack of procurement management units in most of the local government authorities, parastals, and MDAs/RAS, lack of independence of procurement functions and powers among pillar in the procurement process, Lack of Procurement Planning, appointment of persons with no procurement qualifications to be secretaries of the tender boards, underperformance of tender boards, non publishment of general procurement notice and other procurement related gaps. All these weakness and irregularities cause doubt on whether the value for money and high quality goods/services is achieved. (Annual General Audit report on the financial statements of Local Government Authorities for the financial, 2009/2010)

2.2.2 Completion of project

Delay in the completion of projects, inadequate supervision and monitoring of projects and late release of funds to the lower level are major factors which contributed to delays in completion of the Projects.

Community Facilities completed but not put into use. Basically the Local Government Development Grants intend to improve access of communities especially the poor to local services through expanding the physical stock of new and rehabilitated infrastructure. The expected outcome from the grants is tangible benefits received by the intended communities through the completed facilities at their areas. However, site visits to completed projects worth TShs.700, 971,208/= in nine (9) Councils were constructed but not put into use. Non utilization of completed community facilities denies the beneficiaries the opportunity to enjoy the intended services out of the completed projects.

Unsatisfactory workmanship on the construction of community facilities/projects, A test checks on projects performance evaluation for the year under review, disclosed a sum of TShs.630, 876,670/= spent by three (3) LGAs for the construction of various community facilities which were completed with various defects. It was noted that, facilities constructed require major reworks because of several faults due to unsatisfactory workmanship resulting in not achieving the intended objectives. Inadequate supervision and monitoring of projects at the lower level is a major factor contributed to delay in completion of the projects and ending up with unsatisfactory projects. (Annual General Audit report on the financial statements of Local Government Authorities for the financial, 2009/2010)

2.2.3 Stores not recorded in ledgers

Stores not recorded in Ledgers Shs.577, 578,107/=. Order No. 207 of the Local Authority Financial Memorandum of 1997 requires a record of receipts, issues and physical balances of each item of stores to be recorded on a separate page of the store

ledger showing details of purchase like; date of purchase, the goods delivery note, number and the rate per item. Further, it requires the record on date of issue, the quantity of issue, the store issue number, and the physical balance. However, test checks on the management of stores observed that, 24 Councils did not adhere to the above Order.

Goods paid for but not delivered TShs.240, 494,600/=. Reg. No. 122 (1) of PPR (Goods, Works, non-consultant Services and disposal of Public assets by Tender) of 2005 requires a procuring entity to obtain reports on the receipt of goods that have been delivered against contracts in order to authorize promptly payment to the supplier.

To the contrary, goods worth TShs.240, 494,600/= ordered and paid for in eight Councils were found undelivered.

Procurements made without competitive bidding TShs.570, 589,420/=. Review of procurement records for the year ended 30th June, 2010 noted a sum of Shs.570,589,420 paid by twenty six (26) Councils for procurement of works, goods and consultancy services without following competitive bidding process contrary to Reg. 63 of the PPR of 2005. This is an increase of TShs.402, 062,833/= compared to TShs.168, 526,587/= reported in previous year's report where sixteen (16) Councils effected payments of this nature. Non-adherence to standard procurement procedures may cast doubt on whether the value for money was achieved. Councils' management should ensure that, at least three competitive quotations are sought from the suppliers of goods and services before the procurement is effected to comply with the standard procurement procedures. In case of single sourcing, justification has to be provided and approved.

The Councils' management once again is called upon to strengthen the procurement processes in order to obtain value for money in funds used on this area. Pursuant to Order No. 281 of LAFM of 1997, the respective Councils should appoint contract officers to be specifically responsible for the management of each contract and the monitoring of contracts performance.

According to ASDP Operational Manual, Sub-projects are required to be implemented within a period of 12 months after approval. (Annual General Audit report on the financial statements of Local Government Authorities for the financial, 2009/2010)

2.2.4 Inadequate documentation of contracts

Inadequate documentation of contracts and project records TShs.1, 930,772,578/=. Adequate documentation of contracts and project records is crucial for easy reference and effective execution and monitoring of the contracts and projects. A systematic documentation would also facilitate easy access to information by the Councils themselves and other interested parties including Development Partners and Auditors. However, review of contracts management during the year under review revealed a number of inadequately documented contracts where; vital information/documents were noted missing in the respective contract files including contract agreements, Bills of Quantities (BOQ), Engineers' estimates, interim certificates and procurement made outside the Procurement Plan. The level of compliance to procurement legislation is still inadequate although there is an improvement in monetary terms where, during the year under review, a sum of TShs.1, 930,772,578/= was noted to have been incurred in expenditures of this nature.

Delay in completion of Sub-projects TShs.405, 263,624/=. According to ASDP Operational Manual, Sub-projects are required to be implemented within a period of 12 months after approval.

(Annual General Report on the audit of financial statement of Central Government for the financial year 2007/2008)

2.2.5 Weaknesses in contract administration

Weaknesses in contract administration such as delayed payments, lack of quality control, delayed compilation of projects, excessive variation, order incorrect claims assessment etc.

Procurements made without Annual Procurement Plans TShs. 204, 457, 280/=. Sect.45 of the PPA of 2004 requires every procuring entity to plan its procurement in a rational manner to avoid unnecessary emergency procurement and be able to aggregate its requirements so as to obtain value for money, reduce procurement costs and have effective procurement contract arrangements. During the year under review, 3 MDAs/RAS had effected procurement of goods and services without complying with the procurement plans.

Weakness in contracting and contract management TShs.11, 233,987,843.37, Part (x) of the Public Procurement (selection and employment of consultancy) Regulations 2005 spells out clear procedures for managing contracts. It was however; found out during the audit that there are substantial weaknesses in managing public procurement contracts.

Goods/Services Paid for but Partly/Not Delivered TShs.6, 563,642,067/= Goods worth TShs.6, 563,642,067/= were ordered and paid for but were found either to be partly delivered or undelivered in some MDAs/RAS. The noted practice contradicts the requirement of PPR No. 122 (1) (Goods, Works and non-Consultant Services) Regulations 2005 which requires a procuring entity to obtain reports on the receipt of goods that have been delivered against contracts in order to authorize promptly payment to the supplier.

Procurement Made Without Competitive Bidding TShs. 601,578,354/=. A test check of payment vouchers and procurement records revealed that some MDAs/RAS effected payments amounting to TShs 601,578,354/= for procurement of works, goods and consultancy services. However, it was observed that competitive bidding was not sought to enable MDAs and RAS to obtain the most economical prices while ensuring good quality of goods, works and services purchased.

Procurement Made without Tender Board's Approval TShs.168, 154,699/= during the year under review, it was noted instances whereby 4 MDAs/RAS effected procurement without Tender Boards approval hence contravening requirement of Regs. 40 and 41 of

the Public Procurement (goods, works, non-consultant Services and disposal of public assets by tender) Regulations 2005.

(Annual General Report on the audit of financial statement of Public Authorities and other Bodies for the financial year 2007/2008)

2.2.6 Lack of procurement management unit

Lack of procurement management unit, Section 34 of the Public Procurement Act, 2004 requires the procuring entity to establish Procurement Management Unit staffed to an appropriate level. Study on the compliance with the above provision has revealed significant weaknesses whereby Chief Executive Officers of Public Authorities have not been able to establish the units as per requirement of the law.

Lack of Annual procurement plans, Section 45 of the procurement Act, 2004 a procuring entity is required to plan its procurement in a rational manner and in particular to avoid emergency procurement, aggregate its procurement requirements wherever possible both within the procuring entity to obtain value for money. Also procuring entities are required to reduce procurement costs and avoid splitting of procurement to defeat the use of appropriate procurement methods and integrate its procurement budget with its expenditure program. However, during year under review most of Public Authorities lack procurement plans in place as a result much procurement was done as the need arise and splitting procurement was noted in some of the transactions done by the procuring entity.

Inadequate independence of procurement functions and powers among pillars, Section 38 of Public Procurement Act, 2004 spells out that Chief Executive, Tender Board, Procurement Management Unit, the User Departments and evaluation committee shall act independently in relation to their respective functions and powers. However, many organization structures of Public Authorities indicated that procurement management units are placed under various user departments such as Finance and Administration department which impairs the independence of the two pillars in procurement process.

Unadvertised tenders without plausible reasons for single sourcing, significant deficiencies on advertisement of tender were noted where by tenders for financial year 2007/08 were not advertised by procuring entities.

Generally, all these reports indicate material weaknesses and irregularities to procurement process. These weaknesses include lack of procurement management units in most of the local government authorities, parastals, and MDAs/RAS, lack of independence of procurement functions and powers among pillar in the procurement process, Lack of Procurement Planning, appointment of persons with no procurement qualifications to be secretaries of the tender boards, underperformance of tender boards, non publishment of general procurement notice and other procurement related gaps. All these weakness and irregularities cause doubt on whether the value for money and high quality goods/services is achieved.

2.2.7 Key features of agricultural sector policy as laid out in the ASDS

- Sustained agricultural growth target of at least 5 percent per annum, to be achieved through the transformation from subsistence to commercial agriculture, as a core element 2of the Poverty Reduction Strategy.
- Transformation to be private sector-led through an improved enabling environment for enhancing the productivity and profitability of agriculture, with the removal of constraints to private sector involvement.
- Sector development to be facilitated through public/private partnerships, including increased contract farming (vertical integration), with a delineation of public/private roles.
- Focus on participatory planning and implementation, using the framework of the District Agricultural Development Plans (DADPs), which are part of the District Development Plans (DDPs).
- Decentralization of service delivery responsibilities to Local Governments Authorities.

- Mainstreaming of cross-cutting and cross-sectoral issues in agricultural development operations.

(ASDP Support Programme Document, 9 May 2011)

2.2.8 Key Principles of the ASDP Design

♦ **Increasing control of resources by beneficiaries:** the ASDP stresses the importance of increasing the voice of farmers in local planning processes and in increasing their control in the design and implementation of investments and over the kinds of services that they need. The ASDP aims to empower farmers through placing greater control of resource allocations in the hands of groups and communities to improve the relevance and responsiveness of services.

♦ **Pluralism in service provision:** ASDP aims to provide a wider choice in service providers to increase cost-effectiveness and competition. The private sector will be enabled to compete for sector service provision contracts with a de-linking of public funding from delivery.

♦ **Results-based resource transfers:** Resources allocations to LGAs will be more transparent and equitable through adopting and extending the local government grant system. The incentive for LGAs to use their funds effectively will be promoted through annual assessments, while

(ASDP Support Programme Document, 9 May 2011)

2.2.9 Audit Conduct Standards

The essential standards of our approach to VFM auditing are the following:

- The audit team must exercise due care.
- The audit team must be made up of individuals who have an objective state of mind and are independent.

- The audit team must have collective knowledge of their subject matter and auditing proficiency necessary to fulfill the requirements of the audit.
- The audit team must ensure proper supervision of all its members.
- The audit team must seek entity management's views about critical elements of the audit.
- The audit team must obtain sufficient and appropriate consultation and advice throughout the audit.
- The audit team must maintain appropriate documentation and files.
- The audit team must deliver clear, persuasive and effective communications to Parliament and other stakeholders.

(Office of the Auditor General of Canada VFM Audit Manual)

2.2.10. The Way Forward

This part is to pinpoint common weaknesses needing the government's attention in future. The objective of value for money audit is to examine and report on the economy, efficiency and effectiveness in the utilization of public resources while implementing government activities. However, due to limited resources in our country it is expected that government will pay attention to the issues raised to ensure that they are efficiently and effectively prohibited.

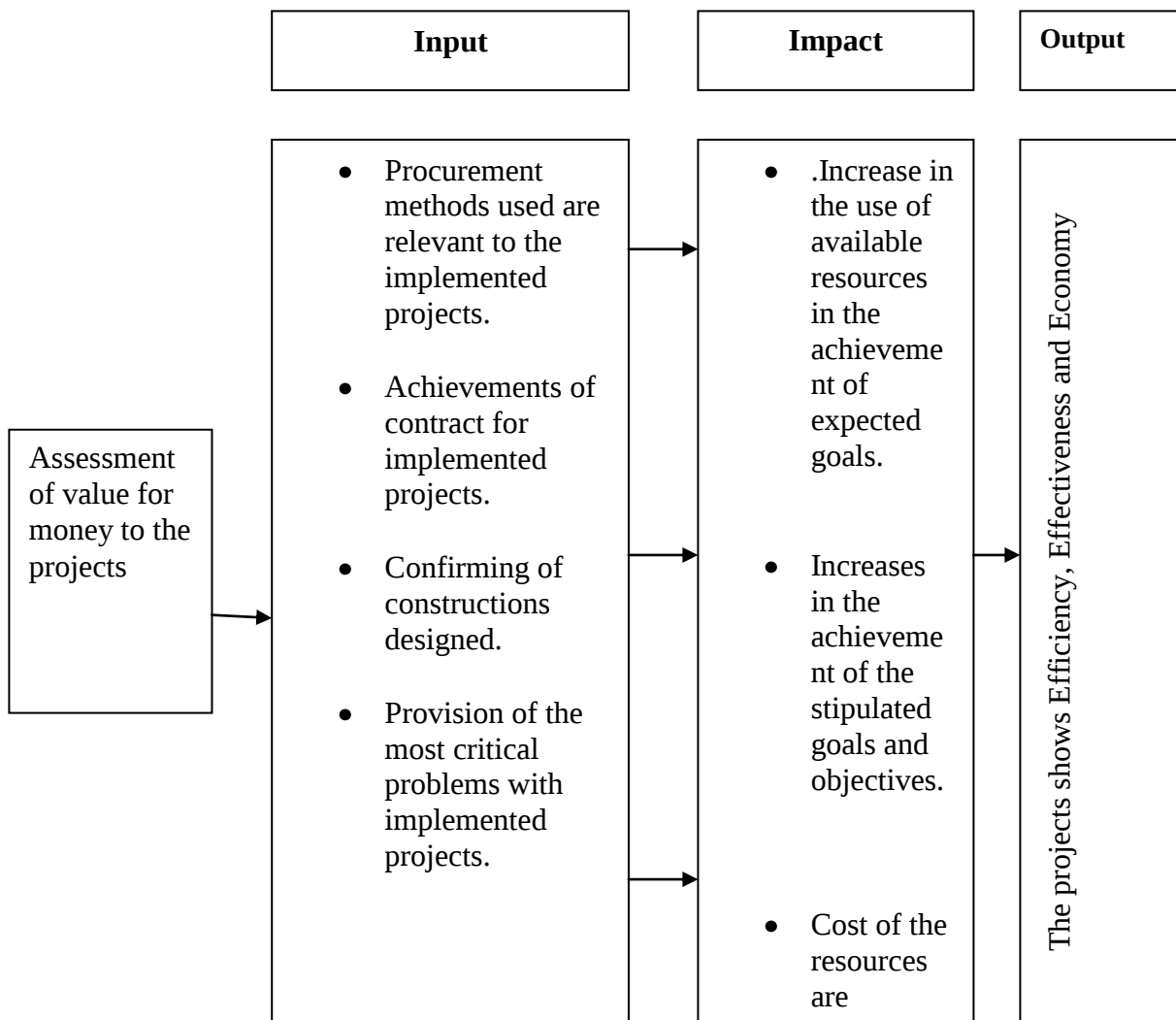
Some common issues raised includes ineffective monitoring and evaluation system, inadequate guiding instruments, ineffective communication, inadequate data availability and management information systems, lack of clear and objective resource allocation criteria, inadequate enforcement of sanctions, and weakness in time management when delivering services.

In future, for the purpose of preventing or minimizing unproductive expenditure of public moneys, maximizing the collection of public revenues; and averting loss by negligence, carelessness, theft, dishonesty, fraud or corruption relating to public

resources for the purpose of better service delivery to the public, the government should ensure compliance with laws and reporting frameworks and strengthening discipline in government expenditures and procurement process as well as internal audit function.

2.3 Conceptual Framework

Figure 2(a) Conceptual framework:



Source: Author's construct (2013)

Figure 2 (a) Presents the conceptual model which shows the structure of variable relationships. The framework consists of input, output and impact. The intervention of institutions is significant to the output.

This framework is focusing on Assessment of value for money to the ASDP projects that are implemented in KTC. The framework illustrates the relevance of procurement methods through the implemented projects, Achievements of contracts entered for implemented projects and the provision of the most critical problems with implemented projects.

Also, the implemented projects increase the use of available resources in the achievement of expected goals such as the use of available labourers, technical skills like local constructors and other available resources'. Sustainability in financial support is important to increase in the achievement of stipulated goals and objectives. All these factors are said to increase the value for money of the implemented projects. Projects that could result on generating income can increase the community member skills and ability to produce. This facilitates their role in reducing urban poverty among the community members as well as improving living standard.

According to Mayoux (1999) economic empowerment of citizens means that disempowered take responsibility for their own material gains on an on-going basis and become manager of their own development. Citizen empowerment is a process of validation and encouragement. This means providing incentives and opportunities for making business. The overriding objective of citizen economic empowerment should be the expansion of income, and employment generating activities for as many as possible without sacrificing efficiency. It stated that this has been the goal of empowerment – driven government initiatives.

Empowerment emphasizes the need to build capacity in societies to respond to the changing economic and political environment. The fundamental goal of empowerment is

help individuals within society to improve the quality of their own lives and share equitably in the benefit of economic growth. Growth that depends on constant infusions of grants or subsidized financing from government or other donors is inherently unsustainable. Empowerment is about helping people unleash their creative and productive energies to achieve sustainable growth and continuous improvement in their living standards (Rappaport, 1987).

2.4 Conclusion

Literature about the assessment of value for money was presented. The aim was to show the connection between the funds disbursed for implementing the selected projects do actually results in giving the efficiency, effectiveness and economy to the community.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction.

This chapter describes various methods that the researcher applies in conducting the research. In essence, the chapter discusses and presents the description of the research design, sampling procedures, types of data needed and their sources, methods of data collection, sample size, and analytical methods.

3.2. Geographical Location and Administrative Set Up

The study was carried out Manundu ward, Mahenge ward, Kwamsisi ward, Kwamndolwa ward and specifically in Korogwe Town Council, which is one of nine councils in Tanga Region and was created in 2005 after the upgraded of Town Authority that had operated since 1996-1997, it lies in the central part of the region and is surrounded by the of Korogwe District under the jurisdiction of Korogwe District Council except by Handeni District to the south. It is located within the latitudes 5 and 5,14S and longitudes 38, 23 and 30,33E.

According to Korogwe Town Council Korogwe Investment Profile (2007) Town Council is the second largest urban centre in Tanga Region after Tanga city. The Korogwe Town Council has jurisdiction over 8 urban and rural wards with the area of 212 square kilometers, the smallest among the nine Councils in Tanga Region.

3.2.1. Administrative Units

The Korogwe Town Council has jurisdiction over an area of 212 km² (5.6% District area) and is administratively divided into 8 wards comprising of most of Korogwe Division. The wards are divided into 17 Mitaa and 7 Villages, each Mtaa being a group of streets that are locally administered as a unit.

3.2.2. Demographic Characteristics

In 2002, the Korogwe Town Council area had a total population of 53,986 people of whom 48.6% were males and 51.4% were females. The total population size was 20.7% that of Korogwe District.

The 1988 Population Township was 45,071 persons with 48.8% males and 51.2% females. The average rate of population growth was 1.30% per year during 1988-2002. At such rate, the projected population in 2007 would have been 57,588 people.

3.2.3. Social – Economical Activities

Land, labor skills, and capital including equipment, provide the main means of economic production. The estimated average income per capital in Korogwe urban is Tshs 450,000/= per annum. Natural resources and advantages of its location form the major base of economy of Korogwe Town Council. Korogwe's position on the Pangani River and the ecological conditions offer significant agricultural production possibilities. Its location about mid way on the major transportation and electric power supply corridors connecting Dar es Salaam and Arusha makes the Town an important and growing service centre with easy access to large markets for its products in northern and coastal Tanzania.

3.3 Research Design.

This is a plan for selecting the sources and types of information used to answer the research questions. This involves the general picture on how data are collected, analyzed and combined in relation to the aim of conducting the study (Kothari, 2004). For this case the researcher use case study approach since it accommodates almost all research instruments such as questionnaires, interview, observation and documentary resources and enhance deep understanding of the research topic as it afford the researcher to become part of organization.

3.4 Target Population.

The targeted population depends on the number of employees working on those particular areas of the study, especially those working in the department of finance, those in ASDP projects (ASDP management unit), PMU members and member of the village committee in the area where projects are implemented.

3.5 Sampling Technique and Sample Size.

3.5.1 Sampling Technique.

This was a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher adopt in selecting items for the sample. The study uses simple random sampling and judgmental/purposive sampling which fall under the category of probabilistic and non-probabilistic sampling technique respectively.

3.5.1.1 Simple random sampling

This includes drawing a number of items from a larger group or population so that every individual have item specified probability of being chosen. In this all workers were given an equal chance of being selected to be included in the sample frame.

3.5.1.2 Judgmental/purposive sampling

This base on researcher's subjective judgment that particular unit were sampled. Those who were knowledgeable on the subject matter were selected purposively i.e. Items were selected according to their suitability in relation to the study.

3.5.2 Sample size

The researcher collects information from a total of 60 respondents who successfully return the questionnaires given, although 65 respondents were selected from the population and they were given the questionnaires. Both random and purposive sampling was used in different point in time. The purposively researcher choose ASDP management team, PMU team, Finance and Administrative staffs whereby they were participating in all stages of implementing these projects. Furthermore the researcher

purposively selected 15 members of ASDP management team, 5 members from PMU and 15 Finance and administrative staffs; the random sampling technique was used to select 30 community management committee and other respondents affected by the projects from the community. This size adopted since it fulfill the minimum required size for statistical computation. Details of the responses are presented below in the table 3.5.2.

Table 3.5.2: Number expected respondents

Types of population	Number of expected respondents	Number of persons responded
ASDP management team	15	15
Community management committee	30	25
Procurement Management Unit Members	5	5
Finance and administrative staffs.	15	15
Total	65	60

Source: Research proposal, 2013

The study determines various key informants who were more knowledgeable with the projects activities and developments. The researcher realizes that using the information from them gives more accurate information. The details of the key informants used are shown in the table 3.5.3 below

Table 3.5.3: Sampling of Key Informants

Key Informants	Number of Informants
Town Agricultural Development Officer	1
Town Treasurer	1
Expenditure Accountant	1
Procurement Officer	1
Town Cooperative Officer	1
ASDP Coordinators	2
Procurement Management Unit Chairman	1
Community Management Committee Chairman	4

Source: Author's construct (2013)

Purposively researcher also selected 6 projects to deal with from 10 currently implemented projects by KTC as elaborated in table 3.5.4. Whereas the choice determine the availability of and also these projects were much active in terms of being developed and more follow up by the council management team.

Table 3.5.4: Sampling of assessed projects

Village/Ward	Project Name	Selection Status
Kilole	Construction of new slaughter house	Selected for Assessment
Kwamgumi	Construction of Kwamgumi irrigation scheme	Selected for Assessment
Mahenge	Construction of Mahenge irrigation scheme	Selected for Assessment
Mgombezi	Construction of famers ward resource centre.	Selected for Assessment
Kwamsisi	Introduction of dairy goat husbandry	Selected for Assessment
Old Korogwe	Introductions of the use of power tillers	Selected for Assessment
Ngombezi	Construction of fish ponds farm unit	Not Selected
Morogoro	Construction of one agricultural show pavilion	Not Selected
Manundu	Construction of Veterinary Clinic	Not Selected
Manundu	Construction of New Oxenization Centre	Not Selected

Source: Author's construct (2013)

3.6 Methods of Data Collection

Several methods were employed for data collection during this study for both primary and secondary data are collected in order to support the findings of this study.

In this study primary data were collected through questionnaire administration, in-depth interview, focusing on discussions and observations. On the other hand secondary data were collected through documentary review whereby relevant documents like ASDP Manual, Public Procurement regulations, financial reports and other relevant reports were reviewed to assess the value for money in ASDP projects. Research reports and other publications were also reviewed to provide secondary data.

3.6.1 Primary data.

These are data that were collected afresh and for the first time and thus they are original in character. The following methods were employed in collecting primary data. Interviews were used to inquiry data that needs detailed explanations, experience, performance and technical answers.

3.6.1.1. In-Depth Interview

Interview is a process of communication or interaction in which the subject or interviewee gives the needed information verbally in a face to face situation. This was employed so as to collect in depth information through personal interviews (in- depth interview) and was carried out in a structured way. There was a use of set of predetermined questions and highly standardized techniques of recording. This method was used because the researcher caught the informant off-guard and thus secured the most spontaneous reactions than would be the case for mailed interview guide.

3.6.1.2 Focus Group Discussion

A focus group discussion is a discussion of approximately 6-12 people guided by a facilitator, during which group member talks freely and spontaneously about a certain topic. This method or technique was useful for exploring attitudes, ideas and perceptions or feelings towards certain existing phenomenon, and to draw out precise issues that

may be unknown to the researchers. The purpose of employing this technique in the study was to draw upon respondent's attitude, feelings, experience and reactions in a way which would not be feasible using other techniques. In the study the size of focus groups was ranged from 6-9 people.

3.6.1.3 Questionnaires

The respondents had to answer the questions either on their own or by responding to an enumerator. In this study structured questionnaires were mailed to respondents and some were guided for each category.

Both structured and unstructured questionnaires were prepared and distributed to intended respondents and were collected by researcher himself after being filled by respondents to ensure maximum possible returns of questionnaires.

Moreover respondents who were not approachable, they were reached conveniently. Before the actual data collection, the questionnaires was pre-tested and improved accordingly

3.6.1.4 Observation

Here the researcher was collecting information through participating in several activities which were implemented in the projects. The technique is independent of respondent's willingness to respond, as such in relatively less demanding of active cooperation on the part of respondents. These data help the researcher to see what is really happening at the organization and in projects. Some of the activities were procurement procedures and construction activities.

3.6.2 Secondary data.

These data were collected by someone else and which have been passed through statistical processes. The researcher obtain data that have already been collected and analysed from documentary sources like ASDP operational manual, journals, auditing manuals, past research report and other publications. The researcher also uses this

technique because there is some information which was documented, for example report on project performance and financial policies.

3.7 Data Analysis and Interpretation.

The data were processed and analyzed through quantitative method, which involve the use of percentages and tabulation. Data analysis and interpretations enable the researcher to address the research problem and eventually recommend possible policy implications in a constructive manner. Percent responses from different respondents were compared in tabular form by using the following formula:

$$\text{Cross percentage response} = \frac{\text{Actual specific response from a particular group}}{\text{Total responses}}$$

3.8 Drawing Conclusion.

The researcher evaluates and measure data gathered in terms of number and percentage in order to come up with decision and conclusion on value for money in ASDP projects. Therefore the researcher uses the greater number and percentage of respondents to draw conclusion. That is the researcher took 70% or above as decision criteria basing on the number of persons responded over the number of persons expected to respond on the questionnaires provided to them.

CHAPTER FOUR

RESEARCH FINDINGS, ANALYSIS AND INTERPRETATIONS

4.1 Introduction

This chapter is about the presentation, analysis and interpretation of what has been observed, experienced and extracted on the findings of the study thus to provide a clear, concise and logical picture about the general objectives of the study. The study was about the assessment of value for money in ASDP projects. The data obtained were analyzed using the tools mentioned in chapter three to build this information. This chapter is so crucial due to the fact that it is the core of the study as it provides answers to the research questions.

4.2. Demographic Characteristics of Respondents

At the very initial stage of this chapter, the study started with examining the demographic characteristics of respondents. Primarily the study examined the sexes/ gender of respondents as given in the sub-section below:

4.2.1. Gender issues

This study was concerned with the assessment of VFM where the level of Efficiency, Effectiveness and Economy are expected to result in the implemented projects. Men and Women perform different roles. Given this reality the examination of the gender roles of the respondents could not be left out since the study targeted the community and how they were economically affected by the project activities. The study helped the researcher to know how female and male are getting involved in the improvement of economic activities through implemented projects. Gender assessment in the study helped to know the participation of male and female in the implemented projects. Disaggregated data of the characteristics is presented in table 4.2.1.

Table 4.2.1: Respondents Profile by Sex

Sex category	Frequency	Percent
Male	42	70.0
Female	18	30.0
Total	60	100.0

Source: Field data (2011)

As presented in table 4.2.1, information indicates that 42 (70.0%) respondents were male and 18 (30.0%) respondents were female. This shows majority respondents who participated in this study were male. It further implies that although there is gender consideration in this study, male were relatively many than female. This also signifies that although women may be participating in economic activities, the number of male participating in the economic activities may still be comparatively predominant. Table 4.2.2 shows gender participation on the implemented projects as the research records shows.

Table 4.2.2: Contribution in projects by Gender

Name of project	Male	Female	Percentage of female	Percentage of male
Construction of new slaughter house	17	4	29	71
Construction of Kwamgumi irrigation scheme	23	7	23	77
Construction of Mahenge irrigation scheme	21	3	12	88
Construction of famers ward resource centre	12	2	14	86
Introduction of Dairy goat husbandry	8	6	43	57
Introduction of the use of power tillers	12	5	29	71
Total	72	24	100	100

Source: Field data (2013)

As presented in table 4.2.2, information indicates that in total of all six assessed projects 72 male were currently contributing on the implementation of the projects while only 24 female were contributing on the implementation of the assessed projects. Determination

of the contribution were considering the participation in building works such as sand collections, water collections, blocks creations, participating on watching the safety of the projects and other physical works that are involved in the project. However the researcher realized that female participate more on the dairy goat husbandry as 6 female (43%) out of 14 persons were involved on the project. Female participate more in less physical activities than in physical activities for example most women were contributing on selling food to the workers.

4.3 Budget versus the actual Implementation of the project

Korogwe Town Council has 8 Wards and 24 Villages/Mitaa with 60,744 inhabitants. Early in the year 2012 the council conducted a stakeholder meeting to prepare commodity and several projects were identified as a measure toward solving farmers' problems.

A total of 4 sub projects were prioritized for the financial year 2012/2013 under ASDP financing. Also 2 under A- CBG and 0 under A- EBG were identified for 2012/2013 ASDPs budget. These projects were implemented by farmers who form small farmers groups. The latter benefits direct from ASDP support. It were anticipated that on adopting the introduced technology package a response to challenge raised in commodity selection exercise, the farmers improve their field productivity and production and in addition disseminate the knowledge and skills thus gained to other members of the community in adjacent villages. In this program emphasis has been on irrigation. Five new irrigation schemes has been topographically surveyed, infrastructure designed. The BOQ is being worked out at zonal irrigation office at Moshi and later seeks for ASDP support.

In the year 2012/2013 KTC is implementing ASDP which had the approved budget for 2012/2013 is as follows ASDP 117,903,790 ACBG 14,238,301 A – EBG 0 and DIDF 187,500,000 make a total TShs. 319,642,091.

Table 4.3.1: Assessment of budget against actual expenditure

SN	PROJECT NAME	BUDGETED PRICE	ACTUAL PRICE EXPENDED	COMMUNITY CONTRIBUTIONS
1.	Construction of slaughter house	257,000,000.00	257,000,000.00	0.00
2.	Construction of Kwamgumi Irrigation scheme	260,021,940.00	200,684,950.00	52,004,388.00
3.	Construction of Mahenge irrigation scheme	289,539,443.00	174,616,203.00	57,907,890.00
4.	Introduction of the use of power Tillers	103,501,606.00	56,251,339.00	20,700,321.00
5.	Introduction of Dairy goat husbandry	18,275,000.00	16,774,253.00	0.00
6.	Construction of famers ward resource centre.	54,244,366.00	20,224,155.00	0.00
	Total	982,582,355.00	725,550,900.00	130,612,599.00

Source: Field data (2013)

As presented in table 4.3.1, information indicates that in total of all six assessed projects the current budget is Tshs 982,582,355 and the actual amount expended so far is Tshs 725,550,900. Most of the projects are not fully finished, only one project of the construction of slaughter house is fully finished although it does not started operating due to different circumstances such as working/ operating machines were not installed. Other projects are not fully finished due to the late disbursements of funds from central government. There are other projects that needed community contributions for them to complete, the contributions could be in kind contributions or financial contributions. Community contribution should be 20% of the total cost/ budget of the project although this requirement is for some projects. The study realizes that community responses on contributing to the implemented projects are much more on in kind contributions than in financial contributions.

4.4.1 Achievement of expected objectives from the completed projects.

Here the interest of the researcher was to get information on whether projects achieve their objectives. 65 respondents were asked out of which 60 responded, results are shown on table 4.4.1(a):

Table 4.4.1(a): Analysis of field responses regarding projects achievement their objectives.

Statement	Number of persons responded			
	Yes	No	I don't know	Total
All completed projects achieve their intended objectives	43	15	2	60
Response rate	72%	25%	3%	100%
Number of community personnel responded				
All completed projects achieve their intended objectives	22	3	0	25
Response rate	88%	12%	0	100%

Source: Research findings, 2013

Views from different respondents in the table 4.4.1(a) above indicate that most of the projects achieve their objectives as 72% of the respondents agreed and 25% disagreed. Furthermore, 88% (22 members) of community management committee also accepted that the completed projects achieve their intended objectives only 12% (3 members) of the beneficiaries/ CMC members didn't accept. This indicates that in large extent most of the projects achieved their intended objectives to the community. Also in responding more to questionnaires, the following were mentioned by respondents as reasons which contribute delay of projects completion as results of poor achievement of project's objectives.

Majority of communities do not complete their required contribution per schedule of implementation. Because of income poverty level as well as low level of willingness to contribute in some cases, the part of the projects to be done by communities has remained uncompleted regardless of full provision of financial support from ASDP.

Also, implementation of projects coincided with rain season and was postponed to the dry season. In some cases construction works of the projects coincided with farming season and majority of people could not able to provide expected labor contribution.

Furthermore, increase in price of construction materials reduced the purchasing power available to the communities with the approved budgets as a result of which some projects require extra funds to be completed.

However, limited amount of resources available at KTC for facilitating provision of support to communities and implementation in follow up.

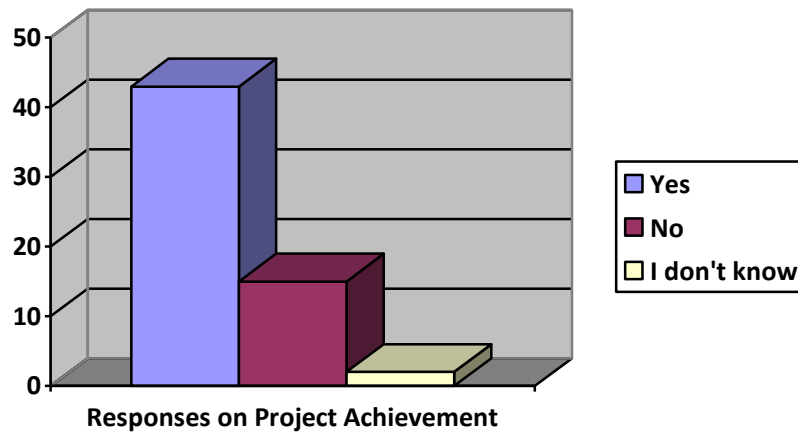
Generally, in large extent new slaughter house and famers ward resource centre projects seems to fail to achieve their intended objectives compared to other projects. Some projects and their operating status are shown on table 4.4.1(b):

Table 4.4.1(b): Analysis of some completed projects and their operating status

Village/Ward	Project Name	Operating Status
Kilole	Construction of new slaughter house	Not operating
Kwangumi	Construction of Kwangumi irrigation scheme	Operating
Mahenge	Construction of Mahenge irrigation scheme	Operating
Mgombezi	Construction of famers ward resource centre.	Not Operating
Kwamsisi	Introduction of dairy goat husbandry	Operating
Old Korogwe	Introductions of the use of power tillers	Operating

Source: ASDP report June 2012

Figure 4(a) Responses regarding projects achievement their objectives.



4.5 Procurement process that takes place with their contract price.

Respondents were asked to indicate their views about procurement system as well as the way contract price is achieved when projects are implemented. The objective was to get an overview of whether economy, efficiency, effectiveness, transparency and accountability are achieved. Results are shown on table 4.5.1:

Table4.5.1: Analysis of responses on how procurement takes place and how contract price is achieved

Statements	Number of persons responded			
	Yes	No	I don't know	Total
Procurement methods used in implementing the projects.	53	0	7	60
Cross percentage	88%	0%	12%	100%
Contract price is achieved in implementing the projects.	52	0	8	60
Response rate	87%	0%	13%	100%

Source: Research findings, 2013

This indicates that different procurement levels are used in implementing the projects. It can be seen that 88% of respondents have correctly explained various procurement levels which are:

- ❖ At Community level.
- ❖ At Local Government Level.
- ❖ At National level.

It was noted that bulk of procurement were taking place at community level and as such Community Management Committees were going to be responsible for procurement of goods, works and services according to their procurement plan with support from ASDP management team of KTC.

Apart from that, findings revealed that almost all procurement of all projects that I visited was done at the community level with full participation of Community Management Committees with support from ASDP management team of KTC. In specialized works like construction of slaughter house, the contractors were procured from ASDP management team of KTC.

Majority of works are implemented by using local contractors (not registered contractors). These contractors are mainly from the same communities and are awarded contracts through open tendering procedure managed by Community Management Committees.

It was also revealed that this method of implementing projects using local contractors is very economical compared to the one of using registered contractors because of known reasons of overheads associated to registered contractors such as profits, taxes, etc. Supervision of these projects is done by using Community Management Committees supported by ASDP management team of KTC. The output of this system is evidenced by acceptable quality of works in the visited projects.

However, it was revealed that this system of implementation takes longer time to complete the works mainly because there is laxity on completion date for both sides of the contracted parties. For example a project which takes about six months to accomplish using a registered contractor, takes up to year using this system. It makes these contracts being affected by inflation, the fact which seriously affects completion of many projects.

It was noted that supervision of these projects is done by CMCs. Members of CMCs spend a lot of their time supervising these projects without any incentive/allowances. The researcher recommends providing some kind of incentives to these individuals for their time input in supervision. This can be in a form of exemption from one of village contributions or in any other form.

Generally, in all visited projects procurement has been done transparently and the constructed works has reflected value for money and acceptable quality.

4.5.1 Contract Prices and Value of Works

From Table 4.5.1 above, 87% of the responses answered YES; this indicates that contract price is achieved in implementing the projects. In responding more to questionnaires it was explained that contract prices are based on technical designs, drawings and specifications followed by bill of quantity (BOQ). In all ASDP projects standard drawings were used to determine cost of construction of the respective structures regardless of the site distances to the nearest centers where industrial construction materials can be obtained.

It was also revealed that in some areas the Community Management Committees prepared budgets for construction of structures such as constructions of farmers resource centre which eventually become the contract price at lower rate so that they comply with ASDP ceiling criteria. Reducing the contract price for the purpose of meeting the criteria has resulted in non-fulfillment of the requirement such as a new slaughter house without a toilet etc.

Also the value of constructed works is more than the contract price. The major cause of this difference is underestimation during project preparation. Sometimes cost are intentionally reduced in order to comply with the set ceiling. (**Source:** ASDP report June 2011).

Table4.5.2: Analysis of contract price against actual value of the project

SN	PROJECT NAME	CONTRACT PRICE	ACTUAL VALUE OF THE PROJECT	OVER/ (UNDER)
1.	Construction of slaughter house	257,000,000.00	257,000,000.00	0.00
2.	Construction of Kwamgumi Irrigation scheme	260,021,940.00	296,684,950.00	(36,663,010.00)
3.	Construction of Mahenge irrigation scheme	289,539,443.00	304,616,203.00	(15,076,760.00)
4.	Introduction of the use of power Tillers	103,501,606.00	116,251,339.00	(12,749,733.00)
5.	Introduction of Dairy goat husbandry	18,275,000.00	28,142,300.00	(9,867,300.00)
6.	Construction of famers ward resource centre.	54,244,366.00	74,544,000.00	(20,299,634.00)
	Total	982,582,355.00	1,077,238,792.00	(94,656,437)

Source: Research findings, 2013

From the table 4.5.2 above, all six assessed projects have a total contract price of Tshs. 982,582,355.00 although their current value is Tshs 1,077,238,792.00 which resulting in understated contract price of Tshs 94,656,437.00. The researcher realizes that most of the projects were understated due to different circumstances such as increase in the prices of materials and general standard of life of the community. Also the factor of inflation is another reason for increasing the values of the projects compared with the original contract. The longer duration of implementation of these projects is also the cause of an increasing in these project values.

4.6 Conformity of construction to design and quality of completed works.

In many projects such as construction of irrigation canals and slaughter house it was observed that there were standard drawings. These drawings were used for preparation of bill of quantity and when carrying out construction works.

However, some projects drawings differ from place to place depending on the environmental conditions. For example one project at Ngombezi Village the building for poultry keeping was constructed fully by block work which is very expensive, reason was that there are a lot of thieves around. However, some projects drawings differ from place to place depending on the environmental conditions. (Source: ASDP fourth quarter report June 2012.)

Also respondents were asked to provide their views; results are shown on the table 4.6 below:

Table 4.6: Analysis of responses regarding conformity of construction and completed to design and quality

Statements	Number of persons responded			
	Yes	No	I don't know	Total
Construction and completed works conform to design	45	4	11	60
Response rate	75%	7%	18%	100%
Construction and completed works conform to quality.	45	4	11	60
Response rate	75%	7%	18%	100%

Source: Research findings, 2013

Table 4.6 indicates that almost all constructions works conform to design and quality, since 45 respondents which is equivalent to 75% answered YES.

Also the assessment of quality of executed work included the block making stage. It was found that about 22 to 23 blocks were produced per one bag of cement which is acceptable. By analyzing the structures as a whole the quality of works were fairly good

taking into consideration level of competence and experience of local contractors who contracted to carry out the works.

4.7 Social economic impact of ASDP projects.

This study determines the social economic impacts that are expected to be realized by the community from these implemented projects. The following explanation shows the expected social economic benefits and actual benefits attained and sustained by the community from the implemented projects.

4.7.1 Expected social economic benefits.

The expected general social economic benefits are to empower communities to access opportunities so that they can request, implement and monitor projects that contribute to improve standard of living. Particularly the expected project social economic benefits are:

- a) To increase proportion of households with access to daily food and markets for their cultivated crops.
- b) To reduce proportion of people living below the basic needs poverty line.
- c) To increase the proportion of people with machines that helps in crops cultivations.
- d) To improve accessibility to markets services by geographical coverage of households being within 5km of formal markets service units.
- e) To increase gross and net enrolment of boys and girls in primary and secondary schools because their parents could afford to pay School fee.
- f) To ensure that primary and secondary education is of high quality and promotes the acquisition of critical knowledge, skills and progressive values because parents could afford to contribute on the constructions of classes etc.

(Source: ASDP Operating Manual)

4.7.2 Actual benefits attained and sustained.

There are tangible benefits to the beneficiaries that are worth mentioning. The researcher had an eye witness during site visits to some of the projects implemented or being implemented with support from ASDP. The apparent benefits include:

A significant number of community assets for social services provision have been created especially in the sector of Agriculture and Livestock. Farmers are now using machines (Power tillers) in preparing and maintaining their farms. The approach used in implementing the projects has broken the traditional taboo in the country that grassroots communities cannot manage large sums of development funds on their own. The researcher noted absolute transparency in the process of procurement and financial management by the respective Community Management Committees. The CMCs carry out supervision of implementation of projects with minimum support from the government sector experts.

Evidence from project implementation records and eye witness by the researcher during site visit indicates that generally there is strong commitment and community ownership of the assets created with support from ASDP. This is an indication of sustainability of the services from the use of such assets.

4.7.3 Projects implementation challenges

Despite the successful implementation of the projects there are some challenges that can be spotted. Implementation of these projects for large extent needs the funds from the ASDP and some contributions from the community. The following are some challenges that the researcher has come across.

4.7.3.1 Removal of Extension block grant in this year budget

The researcher revealed that the extension block grant was removed in 2012/2013 year plan. This removal of the grants affected implementation of some very important activities finance by the removed grant e.g., construction of resource centre, preparation for Nanenane festival and construction of Mahenge irrigation scheme.

4.7.3.2 Lack of various irrigation technicians

The Town council does not have irrigation technicians for conducting project preparatory tasks. In practice these are outsourced from Korogwe District Council (KDC) where they are not readily available as also committed to irrigation assignments within their Council. This has subjected immense constrain to ASDP coordinators to prepare write ups for establishing proposed new irrigation schemes where topographic survey is a pre requisite exercise before project set up.

4.7.3.3 Lack of fisheries expert

The researcher revealed that since KTC have just started to establish fish pond farm units in villages, the council has no single fisheries expert. In practice KTC outsource one from Korogwe District council where there is one expert.

4.8.1 Environmental mitigation.

The researcher was also interested on environmental mitigation measures associated with the implementation of the projects. Respondents were asked to provide their views. The results are given in table 4.8.1 (a) below:

Table 4.8.1 (a): Analysis of responses on environmental mitigation measures

Statement	Number of persons responded			
	Yes	No	I don't know	Total
Environmental mitigation measures in implementation of projects	23	29	8	60
Response rate	38%	48%	14%	100%
Environmental mitigation measures associated with implementation of projects	23	29	8	60
Response rate	38%	48%	14%	100%

Source: Research findings, 2012

48% of respondents disagree with the presence of environment measures when projects are implemented. This indicates that there are poor environmental mitigation measures. However, the researcher did more analysis and find out that 75% of beneficiaries (community management committee) complained about the absence environmental

measures. Also, findings from different reports indicate that the environmental impacts identified during the preparation of project were not exhaustive. It was also noted that the mitigation measures proposed were not implemented adequately. The costs for implementation of the environmental mitigation measures were also not reflected in the budget.

Another factor which contributed for not implementing the environmental measures was low environmental awareness for the local community. During project preparation the local communities were not sensitized enough on the importance of environmental management for ensuring that projects are implemented in a sustainable manner. Some of the environmental impacts identified for the project and respective mitigation measures are shown in Table 4.8.1 (b).

Table 4.8.1 (b): Environmental impacts and respective mitigation measures

S/N	Environmental Impacts	Mitigation Measures
1	Dust and wind	Plant trees and grasses
2	High demand for available water	Construction of temporary reservoir tanks
3	Pollution of water sources	Protect the water sources as well as avoiding waste from residential areas into water sources.
4	Waste production	Collect waste and dispose into appropriate disposal site. For solid waste which have no more value should be disposed off into the land fill. The waste like cow dung should be utilized as manure.
5	Soil erosion arising from acquiring of building materials.	Tree and grass planting.
6	Landslides and erosion on the road projects.	Re-vegetation and provide appropriate slope to avoid slides.
7	Excessive use of sand for construction.	Restrict use of sand from the river banks.
8	Tree cutting for construction of superstructures.	Avoid excessive and unnecessary tree cutting. Tree and grass planting should be implemented.

Source: ASDP first quarter report September 2012

Experts from Department of Agriculture and Livestock and Technical services of the council team screened the project against environmental and social issues together with Environmental Officer.

The result shows that there are no major environmental and social impacts identified after screening the scheme by using the Environmental and social screening forms. The mitigation measures proposed include avoidance of using irrigation water for drinking. The criteria which are used in assessing above projects are such as KTC use checklist in assessing Environmental Impact and this checklist include the aspect of Environmental assessment needs (EA), mitigation measures and the comments from the District Environmental Officer to approve or disapprove the project.

KTC has two (2) irrigation schemes in Mahenge and Kwamngumi villages. Both projects are rehabilitated and still are ongoing projects. These irrigation schemes projects does not have much negative environmental effects to the area in which the projects are undertaken. The proposed measure which are also put forward as the requirement for future operations are to collect waste and dispose into appropriate disposal site. For solid waste which have no more value should be disposed off into the land fill. The waste like cow dung should be utilized as manure.

Researcher has also assessing 2 construction project of new slaughter house and famers ward resource centre. Environmental control measures are to plant trees and grasses so as to reduce dusts and wind.

4.8.2 Challenges that hinders environmental assessment

1. Lack of Environmental Officer in Korogwe Town Council
2. Inadequate of funds for Environmental Impact Assessment evaluation
3. Lack of transport facilities for Environment works

The Environmental screening and social report is attached to this report as appendix.

4.9.1 Internal auditors assessment and recommendations

KTC Internal Auditor views and recommendations on the ASDP Projects based on the following issues; Inadequate Documentation of Contracts related to ASDP Projects. The records worth TShs. 452,071,069/=. Adequate documentation of contracts and project records is crucial for easy reference and effective execution and monitoring of the contracts and projects. A systematic documentation would also facilitate easy access to information by the Councils themselves and other interested parties including Development Partners (Funders of ASDP Projects) and Auditors. However, review of contracts management during the year under review revealed a number of inadequately documented contracts where, vital information/documents were not attached in the respective contract files including contract agreements, Bills of Quantities (BOQ), Engineers estimates, interim certificates, site minutes, copy of Payment voucher(s), variations if any and procurement made outside the Procurement Plan. The level of compliance to procurement legislations is still inadequate.

4.9.2 Auditor's recommendations

KTC in collaboration with CMC and ASDP Coordinators should organize regular training to different members of the community on how to keep records related to implemented projects and councilors in order to enhance their knowledge about the procurement law and their responsibilities as far as public procurement is concerned. Lastly, information on funds transferred to the lower levels (Community Level) should be released to them as soon as funds have been transferred to Community level. This information should have a clear clarification on the purpose of the transferred funds. Timely disbursement of approved funds is important to ensure planned activities are implemented smoothly and timely.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the report and findings as explained on chapter five. The chapter furthermore gives conclusion remark and recommendations some of which were depicted from the respondents while others are the researcher's views as the result of careful analysis and observation performed in the areas of field research study.

5.2 Achievement of expected objectives from the completed projects

Most of the projects achieve their intended objectives. However, it was noted that, some of the projects visited were not completed within the agreed period. Inadequate supervision and monitoring of projects as well as financial contribution by communities takes long time and late release of funds to the lower level are major factors which contributed to delays in completion of the Projects which leads to some projects not achieving their objectives. Some facilities completed but not put into use were observed.

Basically ASDP intend to improve access of communities especially the poor to local services through expanding the physical stock of new and rehabilitated infrastructure. The expected outcome from the grants is tangible benefits received by the intended communities through the completed facilities at their areas. Non utilization of completed community facilities denies the beneficiaries the opportunity to enjoy the intended services out of the completed projects.

5.2.1 Recommendation

Let communities make financial contribution within agreed time before implementation starts. Also ASDP coordinators should make sure that funds are released to soon after approval so as to avoid delay implementation of projects. At the same time sector experts of the council (KTC) should help the communities to prepare implementation schedules that take into account their other commitments and local conditions. This will

help to reduce the time implementation being behind schedule. Furthermore, CMCs have proven to be effective at the grassroots community level for supervising development activities, therefore they should be given allowances as appreciation of the hard work they do so as to increase their supervisory morale in the long run.

5.3 Procurement process that takes place with their contract price.

There is a transparent and economical procurement method at the grassroots community level. The dominant procurement method is “local shopping through three quotations”. This method enables communities to obtain construction materials at lowest possible available prices in the shops, unlike the use of contractors who provide the materials at a higher value than that in the shops. Majority of the projects are implemented using local contractors. The use of registered contractors is a rare case mainly in areas where suppliers of materials is not available. The local contractors are awarded contracts through competitive community open tendering procedure managed by respective CMCs. The researcher found this method to be very economical compared to the one of using registered contractors. However, inadequate documentation of contracts and project records seems to be one of the major problems. In general, all visited projects procurement had been done in a transparent manner and constructed works reflect the value for money.

5.3.1 Recommendation

Adequate documentation of contracts and project records, this is crucial for easy reference and effective execution and monitoring of the contracts and projects. A systematic documentation would also facilitate easy access to information by the Council itself and other interested parties including Development Partners and Auditors. Vital information/documents should be filed in their respective contract files including contract agreements, Bills of Materials (BOM), Engineers’ estimates, interim certificates and procurement made outside the Procurement Plan.

5.4 Conformity of construction to design and quality of completed works.

Works of acceptable standards that adhere to designed drawings are carried out by local contractors with minimum supervision of qualified experts. But in some projects changes in drawings made with instructions from sector experts during implementation are not accompanied with as-built drawings to document the same as per professional procedures. However, observation of the researcher is that in large extent quality of the construction works is good and meets the required standards. The historical experience in the country is that construction works have been carried out by qualified registered contractors and supervised by qualified engineers or consultants. The facts that, the researcher witnessed construction works of acceptable standards completed by local contractors who are guided by designed drawings and supervised by community members with minimum supervision of qualified engineers of KTC.

5.4.1 Recommendation

For projects in which changes were made during implementation, the drawings should be updated with provision of as-built drawings and KTC sector expert should approve such changes to the drawings so as to make correct record for future reference.

5.5 Social economic impact of ASDP projects.

Significant number of grassroots community assets for social services provision has been created in support of the National Strategy for Growth and Reduction of Poverty. However, during the site visits it was noted that the environmental impacts identified during the preparations of projects were not exhaustive. It was also noted that the mitigation measures proposed were not implemented adequately. During the project preparation the local communities were not sensitized enough on the importance of environmental management for ensuring that projects are implemented in a sustainable manner. Therefore, costs for implementation of the environmental mitigation measures were also not reflected in the Bills of Quantities. However, regardless of absence of environmental mitigation measures, quality and outstanding buildings of two irrigation

schemes, farmers ward resource centre, slaughter house and introduction of the use of power tillers have been completely constructed or are in the process of being completed.

5.5.1 Recommendation

During the project preparation the local communities should be sensitized enough on the importance of environmental management for ensuring that projects are implemented in a sustainable manner. Therefore, costs for implementation of the environmental mitigation measures should also be reflected in the Bills of Quantities. Also projects should be handed over to the community soon after being completed so as to serve the intended objectives.

5.6 General Conclusion and Recommendation.

Generally, grassroots communities have demonstrated that they have the capacity to manage large sums of development funds on their own. Projects supported by ASDP have been implemented under the supervision of CMCs successfully. Before ASDP projects grassroots communities had never been given opportunity to manage funds for implementing their development projects because of the fear among experts that communities did not have capacity to handle big sums of development funds.

ASDP should initiate measures of soliciting the Korogwe Town Council to coordinate development partners to adopt the community driven development approach in the manner it is used in projects supported by ASDP so as to increase the Village Fund. In this way communities shall have various sources of financial support with similar conditions as ASDP. The Council should provide more support to the community management committee and the sector experts to enable them make follow-up and provide timely required support to the communities implementing the projects.

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APPENDICES

Appendix I: Interview guide for assessment of value for money in ASDP Projects

RESEARCH QUESTIONNAIRES

MZUMBE UNIVERSITY

PRACTICAL FIELD QUESTIONNAIRES AT KOROGWE TOWN COUNCIL

My name is Erhard C. Liwa, a student at Mzumbe University, pursuing Msc Accounting and Finance. I am undertaking a research about the assessment of VFM in ASDP projects. I'm therefore asking you to fill this questionnaire by answering questions to the best of your knowledge and belief. Confidentiality of anything that you will answer is highly guaranteed and the results of this study are only for academic purposes.

Thanks in advance.

Personal Particulars

Name.....

Department (if staff), Position in the community (if beneficiaries).....

Male..... Female..... (Tick where appropriate)

Questions

1. Do projects achieve their intended objectives?

a. Yes ☐

b. No ☐

If YES, give reasons.

.....

.....

2. Is there any procurement methods used in implementing the projects?

a. Yes ☐

b. No ☐

If YES, mention them and state how they operate during projects implementation.

.....
.....

3. Does the contract price commensurate with design and specification?

a. Yes ☐

b. No ☐

4. Does the completed work conform to design?

a. Yes ☐

b. No ☐

5. On your opinion, do you think there is any social economic impact associated with implementation of projects supported by ASDP?

a. Yes ☐

b. No ☐

If YES, mention them.

.....
.....

6. Is there any environmental mitigation measures associated with the implementation of the project?

a. Yes ☐

b. No ☐

If YES, what are they?

.....
.....

7. What is your recommendation on environmental management activities which should be undertaken to ensure that the projects are implemented in a sustainable manner?

.....
.....

8. What measures are in place to ensure that completed projects continue to benefit the people in the areas?

.....
.....

9. Do you think there are problems of the community to participate in the projects?

a. Yes ☐

b. No ☐

If YES, what are those problems?

.....
.....

10. How do you compare projects supported by ASDP and other projects being implemented in your areas?

.....
.....

11. Are there projects that are implemented or have been implemented in your area using similar approach as that of ASDP?

a. Yes ☐

b. No ☐

If YES, list them:

12. What solutions do you suggest to any of the problems you experience in implementing the projects?

Thank you very much for sparing your valuable time to fill in these questionnaires!

Appendix II: Environmental and Social Screening Form

The Environmental and Social Screening Form (ESSF) has been designed to assist in the evaluation of sub-projects in the DADPs that are to receive funding from the ASDP basket. The form is designed to place information in the hands of reviewers so that mitigation measures, if any, can be identified and/or that requirements for further environmental analysis be determined.

The ESSF contains information that will allow reviewers to determine if endangered or threatened species or their habitat, protected areas or forest are likely to be present, and if further investigation is, therefore, required. The ESSF will also identify potential socio-economic impacts that will require mitigation measures and or resettlement and compensation.

Name of Sub project: Kwamngumi Irrigation Scheme

Name of Sub-project's sponsor: ASDP

Name of the District: Korogwe Town Council

Name of the Region and Zone: TANGA region, North Eastern Zone

Name, department, job title, and contact details for the person who is responsible for filling out this form.

Name: Jacqueline Senzighe

Department and title: Agriculture dept, Ag.Environmental officer

Name of District :Korogwe

Telephone number: 0715-738 725

Fax number: 027 2640 705

E-Mail address: jsenzighe @yahoo.com

Date :15/01/2011

Signature:

Appendix III: Map of Korogwe Town Showing the Study Area

