

**THE EFFECTIVENESS OF DISPOSAL OF NON- CURRENT
ASSETS IN THE PUBLIC SECTOR: A CASE STUDY OF THE
TANZANIA REVENUE AUTHORITY**

**THE EFFECTIVENESS OF DISPOSAL OF NON- CURRENT
ASSETS IN THE PUBLIC SECTOR: A CASE STUDY OF THE
TANZANIA REVENUE AUTHORITY**

By

Ruth Celestine

**A Dissertation Submitted in Partial Fulfilment of the Requirement for the
Degree of Master of Business Administration in Corporate Management
(MBA) at Mzumbe University Dar-es-salaam Campus**

2014

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance **Mzumbe University** , a dissertation titled “**The Effectiveness of the Disposal of Non-Current Assets in the public sector, a case study of Tanzania Revenue Authority**” in partial fulfillment of the requirements for award of **Degree** of Master of Business Administration in Corporate Management (MBA) at Mzumbe University.

Major Supervisor

Internal Examiner

Accepted for the School Board.....

CHAIRMAN, SCHOOL ACADEMIC BOARD

**DECLARATION
AND
COPYRIGHT**

I, Ruth Celestine, declare that, this dissertation is my own original work and that it has not been presented to any other university for a similar or any other degree award.

Signature_____

Date_____

©2014

This dissertation is a copy right material protected under the Berne Convention, the Copyright Act 1999 and other international and national enactments, in that behalf, on intellectual property. It may not be reproduced by any means in full or in part, except for short extracts in fair dealings, for research or private study, critical scholarly review or discourse with an acknowledgement, without the written permission of Mzumbe University on behalf of the author.

DEDICATION

I dedicate this work and the effort that went into it to the most understanding and caring people I know: My Parents and family supported me when times are good, they make me laugh uncontrollably. When times are tough, the smile doesn't leave my face because of the unconditional love and joy they bring to my heart.

ACKNOWLEDGEMENT

My first and foremost thanks go to the almighty God for giving me strength, courage to pursue my studies and conducting this research study. I also thank my family for supporting me morally and spiritually during the whole period of my studies and during the research study. Their encouragement, advice and support enabled me to put in effort which enabled me to conclude the study successfully.

My sincere gratitude to my Supervisor Mr. Yassin for the valuable advice, guidance and more important for the encouraging comments you always suggested to me on preparation of this dissertation. His criticism, invaluable patience, intellectual guidance and support helped me not only to accomplish this study, but also come up with the expected standards. Sincerely, he deserves all kinds of credits and appreciation.

Furthermore, my thanks also go to all those who have contributed to this research study in one way or another, such as my fellow students and other in the preparation of this paper. Kindly receive my gratitude.

Great thanks are extended to my friends for their encouragement, help and support. I am very grateful to my colleague Mr. Amos who manifested great teamwork during my student's life. Finally, many other people helped in the production of this work. While they remain anonymous, I will never forget their invaluable assistance.

ACRONYMS & ABBREVIATIONS

CPSP	Certified Procurement and Supplies Professional.
DHRA	Director Human Resources and Administration
NBMM	National Board of Materials Management
PE	Procurement Entity
PMU	Procurement Management Unit
PPA	Public Procurement Act
PPRA	Public Procurement Regulatory Authority
PSPTB	Procurement and Supplies Professional Technical Board
TRA	Tanzania Revenue Authority
URT	United Republic of Tanzania

ABSTRACT

This research was carried out to assess the effectiveness of disposal of non-current assets: a case study of the Tanzania Revenue Authority. It attempts to facilitate better understanding of public asset disposal as an integral part of public sector reforms. The special focus of this study was; to determine the method(s) used by TRA to dispose noncurrent assets, to examine whether the method(s) used are effective and to find out challenges encountered during disposal of noncurrent asset at TRA.

Population of my study was TRA Hq and sample size of 100 respondent. The findings show that TRA employs disposal methods as stipulated in the PPA 2004 including; sale by tender, sale by auction etc. The process overall was discovered not to be fully effective. The challenge of complexity of the legal framework, low capacity of staff, lack of reliable information on public assets in place and delays in issuing authorization for disposal of assets like motor vehicles severely affects the authority's ability to dispose its assets effectively in a timely manner while achieving value for money. Also inadequate transparency, the impact of corruption, and inadequate organization level policy on disposal exacerbates the problem. As a result, assets are managed on an ad-hoc, often reactive basis, resulting in losses to the authority and the state at large.

The study employed the descriptive design. It involved both quantitative and qualitative data collection. A well designed questionnaire was issued to the respondents while a semi-structured interview was conducted with some key personnel to gain deeper understanding of the research problem. Also the researcher conducted extensive document reviews of past transactions and other available documents. The study recommended that TRA should fully incorporate asset disposal, providing education and simplified procedures of disposal to enable cost saving.

Table of Contents

CERTIFICATION	i
DECLARATION AND COPYRIGHT	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
ACRONYMS & ABBREVIATIONS.....	v
ABSTRACT.....	vi
LIST OF TABLES	x
LIST OF FIGURES	xi
CHAPTER ONE	1
PROBLEM SETTING	1
1.0 Introduction.....	1
1.1 Background of the study	2
1.2 TRA Background.....	3
1.3 Statement of the problem	3
1.4 Research Objectives.....	4
1.3.1 Overall objective.....	4
1.3.2 Specific objectives	4
1.4 Research questions.....	5
1.4.1 General Questions	5
1.4.2 Specific Questions.....	5
1.5 Significance of study.....	5
1.6 Scope of the study.....	6
1.7 Limitations of the Study.....	6
CHAPTER TWO	8
LITERATURE REVIEW	8
2.0 INTRODUCTION	8
2.1. Theoretica Literature review	8
2.1.1 Disposal.....	8
2.1.2 Noncurrent assets	9
2.1.3 Disposal of noncurrent assets.....	9

2.1.4 The impact of modern technology	9
2.1.5 The Notion of Property Asset Management.....	10
2.1.6 Disposal plan.....	11
2.1.7 Disposal cost	13
2.2 Categories of Material for Disposal	13
2.2.1. Obsolete Materials	14
2.2.2. Scrap Materials	14
2.3 Methods of Disposing Non-Current Assets	14
2.3.1. Sell to the Employee	15
2.3.2 Dumping and Burning.....	15
2.3.3 Sale by Tender	15
2.3.4 Selling by Public Auction	16
2.3.5 Sale through a broker	16
2.4 Disposal Process	16
2.5 Empirical review	17
2.5.1 Tanzania case study	20
2.6 Conceptual Framework	23
CHAPTER THREE	26
RESEARCH METHODOLOGY	26
3.0 Introduction.....	26
3.1 Area of the Study	26
3.3Research Design.....	27
3.4 Research Approach	27
3.5 Study Population.....	28
3.6 Sample Size and Sampling Procedure	28
3.7 Data Collection Methods	29
3.8 Reliability and Validity of Data	31
3.8.1 Reliability.....	31
3.8.2 Validity	31
3.9 Data Presentation and Analysis.....	32
CHAPTER FOUR.....	33

PRESENTATION OF FINDINGS	33
4.1 Introduction.....	33
4.2 Characteristics of the respondents.....	34
CHAPTER FIVE	48
DISCUSSION OF FINDINGS	48
5.0 Introduction.....	48
5.1 Discussion of findings.....	48
5.1.1 Critical Assets of the Authority	49
5.1.2 The disposal process	50
5.1.3 Value for money indisposal	53
5.1.4 The impact of corruption.....	54
5.1.5 The impact of the law versus moral crisis.....	57
5.1.6 The complexity of the regulatory framework and low capacity of staff	59
5.1.7 Strategic asset management	60
CHAPTER SIX.....	64
RECOMMENDATION AND CONCLUSION	64
5.1 Recommendations.....	64
5.2 Conclusion	65
5.3 Policy Implications	65
5.4 Area for Further Study.	65
REFERENCES:	67
APPENDIX A.....	70

LIST OF TABLES

Table 1: Distribution of respondents.....	39
Table 4.1: Gender of respondents.....	
Table 4.2: Age of respondents.....	
Table 4.3: Education of respondents.....	
Table 4.4: Gender and education cross tabulation.....	
Table 4.5: Demographic characteristics of study population.....	
Table 4.6: Relevance of training obtained in procurement.....	
Table 4.7: Methods of disposal of noncurrent assets.....	
Table 4.8: Availability of guidelines for the disposal of noncurrent assets...	
Table 4.9: Realization of profit from sale of disposable assets.....	
Table 4.10: Availability of policy for sale or donation	

LIST OF FIGURES

Figure 1.0: Proportion with professional training in procurement.....

Figure 2.0: Elements of an Asset Management Policy.....

CHAPTER ONE

PROBLEM SETTING

1.0 Introduction

Disposal of assets is an important part of strategic asset management in organizations. Keeping unwanted stores results in risks of unnecessary expenditure on storage costs; misguided management effort; gradual loss of the value in those items; and the possibility of disposing assets at a value lesser than the residual value or best achievable value in the market. Disposal should always be treated as the last phase of asset management because it is a function that is necessary for guaranteeing that organization funds are not wasted on obsolete and unserviceable equipment and assets; and that when stores are disposed, they are sold at the best achievable value in the market. In many organizations or institutions after a certain period of time, non-current assets become obsolete, scrap, surplus or waste and therefore need to be disposed. According to the Public Procurement Act ,2004 and Public Procurement Regulations 2005, long term assets that have reached the end of their useful life or are beyond economic repairs or are unserviceable or have become redundant through obsolescence must be disposed.

Public Procurement and disposal of assets is an essential ingredient of good governance. As such, in1981 the government established the National Board for Material Management (NBMM).The NBMM later on changed to Procurement and Supplies Professional and Technician Board (PSPTB). Due to deficiencies of the board the government in 2001 established the Public Procurement Act. Later on the government reviewed the Act and came up with the Public Procurement Acts 2004 and its subsequent regulations which took account of all deficiencies of PPA 2001 in Procurement and disposal of Institutional Assets.

This chapter introduces the study by giving the background information and statement of the problem. Further, specific research questions and objectives of the

study, scope, significance of the study, limitation and delimitation are spelt out to guide the study.

1.1 Background of the study

The Tanzanian government along with its agencies, local government authorities and other arms of the government has been undertaking various reforms with the aim of improving efficiency and effectiveness in the public procurement sector. Among these initiatives, it includes; review of the legal framework, re-organization of the procurement system, instituting anti-corruption initiatives, and training of staff, among a few (Government Public Procurement Policy of 2002). It reiterates that an uncritical disposal of public assets can result into corruption and a big loss. A disposal of hitherto publicly owned property is also politically sensitive because it addresses the distributive justice in a governance system. Due to its significance, a Government Assets Guideline was issued by the ministry of Finance to further facilitate the process. The Tanzania Revenue Authority being an important agency of the government has also naturally been touched by such reforms.

Every institution requires goods, services and works to run its operations. These assets need to be disposed after the expiration of their useful economic life. This is all part of the asset management cycle which begins with the procurement of such assets. It is estimated that Public Procurement Covers 70% of the recurrent budget and 100% of the development budget each year in every institution in Tanzania (Chungu2011).

Disposal by public sector organizations in Tanzania is usually governed by the Public Procurement Act (2004) and Public Procurement Regulations. With the guidance of the Act and the Regulations on how to carry out procurement planning for disposal of assets by public entities: it becomes questionable when visits to public sector organizations reveal that assets lie idle; vehicles grow grass in parking yards; offices have dusty equipment that are not being used; and storage facilities hold items that have not been issued or used in many years. Decision for disposal of government asset in an organization needs to be made in a meticulous manner for ensuring proper governance and better use of public funds. Organization having

capital items like production machines and motor vehicles have to set out internal policies on how the assets will be disposed as their useful life expires. In many cases in the past and probably in the present, government owned asset to have been disposed without sufficient details of their status such as depreciation rate.

The problem is apparent even in the regulatory framework as little emphasis is given to asset disposal but rather it is addressed as a sub-function of public procurement activities. This is reflected in the title of the Public Procurement Act of 2004 which does not reflect its disposal component. This study sought to assess the effectiveness of the disposal of non-current assets in public organizations under the current conditions.

1.2 TRA Background

Tanzania Revenue Authority (TRA) was established by Act No. II of 1995 and became operational in July 1996. The Act vested TRA with the powers to own and dispose properties. TRA Vision is to become a Modern Tax Administration. One of the strategies to achieve the TRA Vision is to continuously improve and modernize its infrastructures which includes land, buildings, Motor vehicles, Boats and Crafts, furniture, machines, equipment, Computers, Software and Licenses. The Government and development partners contribute funds for acquisition and improvement of assets. The supporting resources from the Development Partners are for a specific period of time. In order to ensure sustainability, TRA through the Government have set an Asset Replacement Fund to finance acquisition of assets and to replace those outliving their economic useful lives. The asset replacement strategy is in line with the TRA Vision, Mission and Strategic Goals contained in the Corporate Plan.

1.3 Statement of the problem

A lot of public money can be retained through grounded non-current assets. That money can save provision of various services to the Government tax payers, (Sweid, 2008). The delay of disposal may cause the non-current assets to cost the organization

more money in terms of service and security and repair and maintenances. Keeping unwanted stores results in risks of unnecessary expenditure on storage costs; misguided management effort; gradual loss of the value in those items; and the possibility of disposing assets, at a value lesser than the residual value or best achievable value in the market.

Disposal should always be treated as the last phase of asset management because it is a function that is necessary for guaranteeing that organization funds are not wasted on obsolete and unserviceable equipment and assets; and that when stores are disposed, they are sold at the best achievable value in the market. The PPA 2004, which is the governing law on public asset disposal spells out the procedures and methods to be used in achieving this objective. However problems still exist in its implementation due to a number of contributory factors resulting in inefficiencies and subsequent losses to the government.

Therefore the study has been necessary to assess the effectiveness of disposal of non-current assets in the public sector in Tanzania.

1.4 Research Objectives

This part of the study introduces objectives covered by the study. The general objective shows the general purpose to be attained while specific objectives shows how specifically the study address different issues of disposal of non-current asset. Section 1.3.1 and 1.3.2 provides detailed information.

1.3.1 Overall objective

Generally, the study aimed at assessing the effectiveness of disposal of non-current assets in the public sector of Tanzania, using TRA as a case study.

1.3.2 Specific objectives

The study is guided by the following specific objectives:-

- i.) To determine the method(s) used by TRA to dispose noncurrent asset
- ii.) To examine whether or not the method(s) used are effective
- iii.) To find out challenges encountered during disposal of noncurrent asset at TRA and what could be the way forward for improvement.

1.4 Research questions

The study answers the following research questions;-

1.4.1 General Questions

The general question is whether or not TRA is effective in disposing of its un-wanted public assets and whether the procedures applied adhere to the National policies, guidelines, procedure stipulated in the PP Act of 2004 and its Regulation 2005.

1.4.2 Specific Questions

- i.) What are the methods used by TRA to dispose its non-current assets?
- ii.) Are the methods used in disposing the non-current assets effective?
- iii.) What challenges do TRA encounter during disposal of non-current assets?

1.5 Significance of study

The study on the effectiveness of disposal of government owned assets will bring awareness to the practitioners on whether public organizations adhere to the guidelines and procedures as stipulated by the PPA 2004 and its regulations and whether the procedures being applied are effective: In aiming to improve the effectiveness of disposal of public assets in the country, the study has the following contribution:

- i.) The study highlights the challenges facing TRA in the process of disposing its unwanted assets which hinder its successful performance. The study identifies challenges both internally i.e. can be addressed by TRA itself and externally i.e. requiring regulatory framework review or other external body intervention.
- ii.) The study provides some recommendations on improvement of the process through identification of major problem areas requiring management intervention and also presentation of best practice mechanisms as suggested development partners and a discussion of some lessons learned from similar processes as implemented by other public organizations in partner states.
- iii.) It explored other related literature that has some important arguments relating importance of disposing. These enable procurement department assesses its

performance and develop suitable policies improve their services to the ministry and its stake holders regarding the benefits of disposal of assets.

- iv.) The study is used as a road map towards strategic procurement practices in the public sectors, as well as other related institutions. It helps organization to review the assets disposal process if it has positive impact to the management.
- v.) The study will also help policy makers to formulate better policies which take into consideration the complexity and inefficiencies of the current policy due to gaps exposed in the current study.

1.6 Scope of the study

The area of study is focused on the TRA HQ – Dar es Salaam. The study targeted TRA employees of various ranks and professions dealing with asset disposal and clients who conduct business with the procurement department.

1.7 Limitations of the Study

In conducting this study, the following limitations were encountered;

The researcher faced financial constraints during the study. That is the cost of conducting the study and purchase of study materials and stationary required in the research hindered the full success of the study since the amount of finance available was insufficient to meet the cost budget of the study.

Time Constraint was another limitation faced by the researcher. Time allotted for the study was very limited due to the fact that, the researcher is a full time employee. To cover a reasonable sample so as to be able to draw meaningful conclusion of the case under study, the researcher needed to make the interviews so close and thus sometimes suffer from having multiple appointments or very short time to commute from one appointment to another during the normal working hours.

Poor response from some respondents was another obstacle to the researcher. Reluctance of top management officers to participate in the study limited their

essential input. Other important respondents declined to respond to requests for interview appointments.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

The review of literature analyses in detail the work that has been done by other researchers in the topic of interest. Literature means writings and a body of literature refers to all the published writings in a particular style on a particular subject. Literature reviewed typically includes scholarly journals, scholarly books, authoritative databases and primary sources. Sometimes it includes newspapers, magazines, other books, films, and audio and video tapes, and other secondary sources. This study highlights the views of different academicians, researchers and scholars that will an assessment of the effectiveness of disposal of non- current assets at Tanzania Revenue Authority. It discusses the concept of disposal of non- current assets, methods, procedures at the workplace. In this study, the review of literature is divided into three parts, Conceptual, Theoretical Literature review and Empirical literature review. The theoretical literature review explains various secondary data related to the topic including information from books, journals, regulations, newspapers, internet and alike, while Empirical literature review concerns with other researcher's work related to the study.

2.1. Theoretical literature review

2.1.1 Disposal

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

2.1.2 Noncurrent assets

Noncurrent asset ; Asset that is not to be converted to cash within 12months of the balance sheet date, resource that is not expected to be consumed or sold within the normal operating cycle of a firm, such as equipment, machinery and plant.

2.1.3 Disposal of noncurrent assets

Is the process of getting rid of assets which are no longer used or reached the age limit in the organization by the method specified in the Public Procurement Act,2004 and according to organization`s policy. Asset disposal is mostly known as the act of selling an asset usually a long term asset that has been depreciated over its useful life like production plant and vehicles (Baily et al, 1998). Disposal may be considered as the third life of any item acquired by a procuring entity; first it is procured and accepted - the procurement cycle; second it is utilized by the procuring entity in the discharge of its duties- the life cycle; third it has to be disposed – the disposal cycle (Kenya Public Procurement Oversight Authority, 2009).

Grounded noncurrent asset, are those assets which are have mechanical defect, but which are no longer useful for the specific company`s operations/uses. Grounded and unused assets like motor vehicles are regarded Scrap Materials; items in the inventory can be scrapped at the yard, located at the station, which means a low amount of money can be earned by salvaging them. Everything found can be readily turned into cash by going to the yard and dragging the item to the scrap icon. It's best to scrap equipment with low market value. Items cannot be scrapped in player Outposts. Any item may be scrapped; the higher the requirements, the more money you will gain from scrapping.It is extremely important to ensure that the control systems associated with scrap disposals are clear and watertight (Menon, 1998).

2.1.4 The impact of modern technology

Giuntini (2010) suggests that all maintainers of equipment face the inevitable. Their equipment will eventually become permanently impaired and they will no longer be using it. This is driven by four facts of life: equipment will someday be too worn out to be fixed further; fixing equipment will soon become expensive given the alternative of acquiring another piece of equipment; regulators will say equipment

must go due to safety/environmental factors; products/services created by the processes employing the equipment are no longer in demand.

When an asset is classified as permanently impaired, an organization will ultimately physically remove the asset. Menon (1998) states that an item is regarded as obsolete when it is no longer usable by the enterprise concerned, because of a change in operational practice or production methods. obsolete and surplus stocks arise from various factors: a change in the design of the manufactured equipment; a change in the method of manufacture; unforeseen reduction in the volume of production; in the case of spare parts of existing equipment when it has been decided to phase out or sell off the old equipment and buy a new model; some decisions on the part of management. These must be put to some other use or disposed promptly if a company is to realize its maximum profit (Menon, 1998).

2.1.5 The Notion of Property Asset Management

A rather definitive description of the property asset management concept was put forth by Bulita (1994), who surmises that: *'Asset management, a term that came into vogue in the mid-to-late 1960s, is defined as the process of maximising value to a property or portfolio of properties from acquisition to disposition within the objectives defined by the owner. This concept uses strategic planning, which includes investment analysis and operation and marketing analysis, as well as the positioning of a property in the marketplace in accordance with market trends and conditions.'*

As property asset management entails all the four stages of a property life cycle, involving planning, procuring/establishing, operational/utilizing and disposal. The roots of property assets management lies in the realm of strategic resource management. Within this field of management, property asset management has been placed under the approach of strategic asset management, where property asset management involves two interacting components, namely the strategic component and the operational element (University of Leeds, 2006). The strategic component focuses on medium to long term property objectives in meeting customer needs while the second operational component emphasizes the ongoing management of the property within the short to medium time frame. A true and efficacious property

asset management system should encompass all relevant and critical stages of the property life cycle without the inclination to over-emphasize the operational maintenance phase alone. By having this two pronged approach, property asset management ensures that a property is managed from the initial onset of planning and follows through until the said property is disposed in a strategic manner. In executing a comprehensive property asset management approach, the smaller component of property management is still evident as this approach follows the property life cycle as mentioned earlier.

Thorncorff (1965) and Stapleton (1986) define property management as a series of activities that provide direction and enable supervision in the quest to meet certain preordained interests through procedures that involve forecasting, planning, commanding, co-ordinating and controlling. Singh (1994, 1996) explains further that the property management activity is centered on controlling property interests by taking into consideration the short and long term objectives set by the property owner as well as the specific purpose for which the property is procured. Wong (1999) adds to this where he explains that the process of property management involves the activities of managing and maintaining facilities at a level that will enhance the value of the properties. These definitions of the property management clearly exhibit that the main concern is the achievement of property objectives through various, inter-connected and synergetic activities in line with the functional capabilities, physical well-being and value enhancement of the properties. It should be reiterated that property management is implemented at the technical and operational levels while property asset management exists within the strategic level. Modern reactive management perspective advocates that stakeholders concern themselves with a more complex and wider range of functions and activities which include the adaptation of appropriate strategic approaches in managing properties more efficiently.

2.1.6 Disposal plan

A disposal plan should be an integrated part of an asset management strategy in that it leads into the planning process for new or replacement assets and is a powerful

management tool in assessing why the performance of certain assets may not have worked as intended.

Significant revenues may arise from asset sales and these may either be returned to government or used to fund future asset acquisitions, depending on the nature of the disposal and subject to laws and regulation guidance.

Assets may be disposed of for a number of reasons including:

- End of useful life;
- Surplus to requirements;
- Under-utilised;
- Not fit for purpose;
- Unserviceable; or
- Does not meet legislative requirements.

A number of alternatives exist when an asset is no longer required for a specified purpose and these may include non-disposal options. These are:

- Sale by public auction;
- Tender;
- Trade-in;
- Transfer assets to another entity;
- Write-off;
- Demolition or destruction;
- Reallocate asset to another program area within the entity; or
- Lease surplus capacity.

Planning for any significant disposal should include:

- Rationale for disposal;
- The proper costing and evaluation of disposal alternatives;
- Engagement of experts to assist in professional valuation and disposal;

- Due diligence reviews to ensure there is sufficient transparency and accountability for asset disposals including compliance with legislative requirements; and
- Proper approval authority, both within and outside the entity where required.

2.1.7 Disposal cost

The cost of removing a product after its usefulness has ended, including costs to decommission, dismantle, make environmentally safe, transport and dump. If the products are sold and the proceeds from the sale exceed the other costs of disposal, the product will have a disposal value that reduces the life-cycle cost. Redundant stock, scrap or waste is a cost to an organization and the most effective way is to reduce it is to avoid the production of waste (Baily, Farmer, Jessop, & Jones, 1998). When stores are perishable, keeping them run risks of misuse, using shelf space unduly and not signaling requirements for what may be lifesaving products (Kenya Public Procurement Oversight Authority, 2009). The costs involved in the disposal may include: valuation of stores, assets or equipment; consultancy costs for preparation of a disposal proposal; disposal proceedings management and supervision costs in the case that a disposal agent may be hired; or costs relating to facilities, services or resources to be provided by the procuring entity, such as office space or communication facilities for consultants or counterpart staff, access to the stores, assets and equipment in the case of pre-bid site visits and conferences and the procuring entity should ensure that adequate funds are budgeted and allocated prior to initiating the disposal proceedings, taking into account all costs involved in the disposal (Kenya Public Procurement Oversight Authority, 2009).

2.2 Categories of Material for Disposal

Leenders (1992) highlighted that no matter how well as a company may be managed, some excess ,waste ,scrap surplus and obsolete material are bound to develop. There exist various categories of assets for disposal as discussed below:

2.2.1. Obsolete Materials

These are those equipment and materials which have not been damaged and which have economic worth, but are no longer useful for the specific companies or organizations operations or uses. They include ships, motor vehicles etc. Datt(2004) counted that obsolete materials are those which are not useful to the company for various reasons such as changes in design models, changes in the production processes or changed in production line. He continues to say that disposal is necessary as holding such materials will be a real loss to the organizations concerned. A good procedure should be established so that material to be disposed can be sold at a reasonable value.

Leender (1992) observe that although materials or equipment may be obsolete to one user, this does not mean that it is obsolete to others. Actually what may not be currently in demand in a wealthy country may be demanded in a poor country. As such before dumping obsolete assets one need to look around for some alternative buyers.

2.2.2. Scrap Materials

Scrap materials differs from excess or obsolesces materials since it cannot be properly classified as new or unused. Scrap is a term which may be applied to materials or equipment which have no longer serviceable as has been discarded. It includes such items such as worn machinery and old tools. In such case scraps arise because of the company is replacing old machines with new machine which are more modern and more productive. Actually however a discarded or scraped machines may still have value for some other manufacturer in the same type or business or in the some others industry. Consequently it may be disposed of at a price which will show a profit in many instances. This replacement of old obsolete machines by other capable large production units at the same time or lower cost provide a real profit making opportunity.

2.3 Methods of Disposing Non-Current Assets

Dobler(1990) and Leenders (2006) have tried to explain the methods of disposing noncurrent assets with profitable means. They both say that many firms used

common method of disposing noncurrent assets as they are researched at their operation. The materials management department in particular the purchasing or salvage and reclamation departments as appropriate:

According to Brockington (1996) disposal of assets can be made when assets are no longer required, have reached the end of their useful life or are technically or economic redundant. Companies and organization are provided with the flexibility of choosing how to dispose of their assets through the methods described in the financial management practice and procurement manual of such entity.

Some of the methods for disposing non-current assets are discussed below:

2.3.1. Sell to the Employee

Many firms make it a practice to selling the product they manufacture, their surplus equipment and materials to the employees. If the surplus are the results of overstocking or obsolescence but they are in good condition they are sold to employees. This is satisfactory method of disposal of obsolete materials (Dobler, 1996).

2.3.2 Dumping and Burning

If no buyer or user can be found for the items the firm may have to destroy or burning the items, this can be quit costly therefore caution should be taken to protect environment and assure that disposal method for dangerous materials do not create hazard to the public. Dobler,1990 highlight that environment sensitive purchasing unit make good business. This imply that, there are must be good disposal of non-current assets which is friendly to the environment .

2.3.3 Sale by Tender

When it is considered that, there will be minimum interest from the organization/portfolio within the ministry, staffs arrange for items to be public advised for sale by tender. This process may be through the competitive open tender, auction market, restricted tendering and other.

Items to be disposed of by tender must be maintained in the disposing organization/portfolio in good order so that interested purchasers can view them, successfully bidders will be in writing by the finance services or business services department.

2.3.4 Selling by Public Auction

Under this method an auctioneer is contracted to sell off the assets. A minimum reserved price is normally set by the authority which is equivalent to the residual value of the asset. The auctioneer normally accepts the bid only when it reaches the residual value which is the minimum value for sale. When competing bids exist, the highest bid is accepted.

2.3.5 Sale through a broker

The role of the brokers is to bring buyers and sellers together for which they take a commission. Many metal scrap is disposed through this channel. This method is often used by selling organization and many present interesting alternatives for the buyers in the equipment acquisition process (Leenders, 1992)

2.4 Disposal Process

Disposal process means the successive stages in the disposal cycle including planning choice of procedure, measures to solicit offers from tenders, examination and evaluation of those offers and award of contract (PPA, 2004)

The disposal process involves

- i.) Identifying any surplus, obsolete or unserviceable equipment held in the organization
- ii.) Determine methods of disposal in accordance with categories specified in section PPA2004.
- iii.) Complete equipment write a form available from the department of finance for financial accounting purposes
- iv.) Have equipment write of form signed by person with appropriate delegation.
- v.) Forward completed form to the finance officer of Assets, finance services – Business services

- vi.) Follow instructions for disposal as determined by method of disposal
 - a. Element to consider when disposing assets are that there should be constant review with a view of disposing of surplus land and building for instance should years of being identified as surplus, and surplus residential properties should visually be sold within six month of becoming empty
 - b. All relevant business area within the Tanzania Administrative functions sponsored requirements of the companies or surplus or public Organizations must insure that the Tanzania executives Property Advise Division is notified of the relevant proposed disposal advertised on the open market.
 - c. The following guidelines are provided to help entities dispose of their assets in an accountable manner. Entities should
- vii.) Establish and maintain an asset information system which record all relevant information to assist in asset planning and management
- viii.) Prepare and evaluate proper planning cost effective disposal methods
- ix.) Identify those areas most susceptible to fraud or risks, and introduce appropriate preventive measures
- x.) Identified and communicate the preferred arrangements for disposals to relevant staff.
- xi.) Engage experts to develop the terms of contracts and to assist in preparing the contract to minimize the exposure of risks.
- xii.) Provide clear instructions to the agents engaged to undertake the disposal and
- xiii.) Monitor and evaluate disposal performance regularly for achievement of fair dealing cost – effective choice of the government disposal policies and objective.

2.5 Empirical review

Uganda has a Public Procurement and Disposal of Public Assets Authority (PPA) in that case; it shows that both procurement and disposal are given equal weight of importance unlike Tanzania which has a public Procurement Regulatory Authority

(PPRA). Despite the fact that disposal matters are also overseen by Authority but they are not clearly reflects even in the name composition of the board. The title of the Act, PPA No.21 of 2004 does not show clearly that disposal of Public assets is guided by the Act. For example Sheridan College in USA, has developed special guidelines on disposal of assets in which the methods and procedures for disposal of assets are clearly stated. University of Toronto on the other hand has developed a policy on disposal of fixed assets and allocation of proceeds of disposition including Regulations.

The effectiveness, efficiency and transparency of transport management are an important objective for the Government of Uganda and Development partners. Under the sponsorship of the joint World Bank and OECD Development Assistance Committee (DAC) Procurement Round Table initiative, developing countries and bilateral and multilateral donors worked together to develop a set of tools and standards that provide guidance for improvements in transport management systems and the results they produce. The long term goal is for countries to improve national procurement systems to meet internationally recognized standards. This will enable greater effectiveness in the use of funds to meet country obligations. The methodology is being field tested in a number of pilot countries, Uganda being one of them. The methodology for assessment of the national procurement system is intended to provide a common tool which developing countries and donors can use to assess the quality and effectiveness of the national systems. The working group developed two types of indicators, the Baseline Indicators (BLIs) and Compliance and Performance Indicators (CPIs). The CPIs deal with how the system actually operates. They are closely related to the application of the legal regulatory framework and the prevailing procurement practices in the country. The purpose of the assessment is to obtain data that will be used in the assessment of some of the Compliance and Performance Indicators, of the methodology for assessment of national procurement systems. The indicators are intended to provide harmonized tools for use in the assessment of procurement systems.

Disposal of goods and property in Public sector and agencies that regularly dispose of depreciated, redundant or excess stock need to ensure they have standardized methods to manage the disposal of unwanted resources in a transparent and accountable manner. Goods to be disposed of are public resources and, even if redundant or depreciated, may still have financial value for the agency. Consequently disposing of goods should be carefully planned and conducted in a way that obtains value for money for the agency and reduces opportunities for exploitation by individual employees, private persons or organizations. Some of the formal requirements that may apply to your agency can be found in the NSW Government Procurement Policy, which is issued subject to the Public Finance and Audit Act 1983, and The Code of Practice for Procurement, January, 2005, The improper disposal of assets especial motor vehicles and property can constitute corrupt conduct as defined in the Independent Commission Against Corruption Act 1988.

Corruption risk assessment of how a public sector agency manages the disposal of goods and property is likely to identify some or all of the following corruption risks: An employee deliberately undervaluing agency assets that are to be disposed of with the aim of purchasing the items for him/her.

Technological changes, was related to environmental uncertainty, the level of uncertainty and turbulence often relates to factor like technological innovations. A model able to explain how technology changes can motivate firms to divest is the business life cycle model. The model state that due to changes in the external environment corporate competences and capabilities needed to manage the asset, changes through each of the assets life cycle.

Jovanovich and MacDonald, (1994) noted that the technological changes have made it almost impossible for firms not to invest in capital intensive production methods. High levels of technology changes often shorten the product life cycle. Therefore the degree of technological changes in an industry has been found to increase the likelihood of divestiture because firms have been unable to adjust sufficiently to the new technological regimes (Jensen, 1993).

Moreover Porter (1987) argues that, Corporate strategy is what makes the corporate whole add up to more than the sum of its business unit parts” (Porter, 1987). The firms’ strategy therefore must take into account how the different business units fit together. Adjusting the firm strategy must therefore be seen as a primary motivation behind the decision to divest assets.

The strategic motives to divest can in a broad sense be categorized into a proactive and a corrective reasoning. Proactive decisions seek to redesign, split, or transfer assets and business units as a way of adapting to changing market opportunities (Siggelkow, 2002).

Political regulations Shellfire and Vishay, (1989) argue that sell-offs often occur as a response to changes in regulatory and competitive conditions example less forceful antitrust enforcement, changes in the tax regime, or other policies. Hokinson and Hitt (1990) further found that deregulation has increased firms’ ability to achieve large scale profit in single lines of business thereby motivating firms to re-focus. Competitive conditions e.g. less forceful antitrust enforcement, changes in the tax rule, or other policies.

2.5.1 Tanzania case study

A study conducted by Jolia (2006) on disposal of Public assets owned noncore assets revealed that, to be specific there should be more transparent, predetermined selection criteria for disposal of Public assets and making them known to the Public as well as involving stakeholders such as PPRA in the divestiture program. Public procurement must always be effective. Guidelines and regulations must also be followed and adhered to in order to ensure proper performance and execution of the project planned to be performed. All procedures and regulations must be met by all procurement practitioners in carrying out procurement activities pursuant to the Public Procurement Act No. 21 of 2004 and its regulations, 2005 (Goods, Works, Non – Consultant Services and Disposal of Public Assets by Tender GN. No. 97 and Selection and Employment of Consultants GN. No. 98) published on 15th April, 2005.

Public procurement planning determines the duration of each action and will bring economy and value for money. The PE shall be guided by the standard procurement processing time given in Third schedule of Public Procurement Act and must be followed and adhered to in order to ensure proper performance and execution of plan.

Government and non-Government institutions are heavily investing in Information and Communication Technologies (ICT) to enhance their businesses and operational activities. This trend has partially been inspired by the lift of computer ban in 1980's where millions of ICT assets had been imported. Subsequently, there is a rapid increase of Internet Service Providers (ISP's), Mobile Service Providers (MSP), and ICT asset vendors' country-wide. This implies a massive increase in imported ICT assets as well as the number of ICT assets that are going out of the ICT asset life cycle. In order to study challenges facing Tanzania in disposing end of use Ictuses, two (2) dumping sites and two (2) recycling sites were visited with the aim of observing waste management practices on site and the survey were conducted through web link sent to respondents over the email and face book (asocial networking site).The survey was stopped after reaching 12 respondents out of 15 targeted respondents for Waste management Organizations and 9respondents for selected Organizations which are major consumers of ICT. We found the following as challenges facing Tanzania in disposing end of use ICT assets: lack of ICT asset disposal policies, procedures and ICT management plan, storage challenges, lack of trained personnel and disposing infrastructures, legal aspects challenges, recycling capacity challenges, and privacy, confidentiality and information security concerns.

In 1986 there were approximately 700 computers in Tanzania [1]and at least three computer vendors country-wide .Currently there are approximately 350,000computers in use in the country and hundreds computer vendors .As a consequence of this, the number of Internet Service Providers (ISPs), Data Service Providers (DSPs), and Mobile Service Providers (MSPs) has increased. Currently, there are about 23 ISPs, 16 DSPs and 6 major mobile operators, including Tigo, Vodacom, Zantel, TTCL and Airtel, 16 data services providers and 23 Internet

service providers. All of these are directly or indirectly contributing to the increase of importation and usage of ICT assets. Consequently the increase in ICT asset importation contributes significantly to e-waste generation. For example, all MSP's are importing massive numbers of cellular phones and related accessories which in turn contribute to e-waste similar to the data service providers (DSP's), ISP's, and government and non-government institutions which imports data communication equipments of all sorts. This prolific increase of ICT asset importation and usage is driven by government's removal of all taxes and duties on computers and their peripherals (Shimba 2011).

The studies conducted in Tanzania regarding medical waste management which described that medical waste management (MWM) in Tanzania as being poor and that the general awareness on issues related to medical waste management, is lacking among the medical waste generators (e.g. health facilities) and handlers (e.g. staff involved in handling waste) (Manyele et al., 2003; Manyele, 2004b;

The study done by Aswile(2003) discovered that even though there is established blueprint for disposal of capital assets, still quarries arises due to the following reasons: Policies and procedures for disposal of capital assets are not fully adhered during the process other procedures are considered useless. There is no proper reporting mechanisms, due to poor salvage policy, it result into memory in terms of recording, the report concerning whether certain assets is ready for replacement in terms of economic shelf-life are also delayed. This results to compelling the company to incur a cost in terms of security, deterioration, theft, tying up of space and risk of hazards.

The study done by Matiku (2011) Managing disposal of unwanted medicines at public health facilities is highly associated with daunting challenges that cannot be sorted out by just one player but rather all players involved in the medicines supply chain such as MSD, public health facilities, TFDA, donors, medicines funding agencies and the Ministry of Health and Social Welfare at large. The study has identified about 10 main challenges that hamper proper and safe disposal of unwanted medicines in the country; these include inadequate enforcement by TFDA

such as regular inspections of public health facilities and supervision of disposals leading to medicines being disposed using inappropriate methods, unwanted medicines being treated just like other public assets as per Public Finance Act & Regulations, 2004 in disposal procedures without taking into account their unique nature and the dangers posed by them; inadequate number of pharmaceutical staff to manage pharmaceutical stores as required by law; short expiry medicines supplies from MSD due to long lead times resulting from international procurements; donation medicines (with short expiries) and not consistent with STGs, prescribing patterns by clinicians that are not consistent with STGs especially prescribing of brand names instead of generic names; inadequate funds to cover medicines disposal costs; laxity by District pharmacists in ensuring that unwanted medicines from lower facilities are collected and disposed of timely; lack of Continuous Professional Development (CPD) training with special emphasis on unwanted medicines; and unavailability of large commercially run incinerators to cater for large volumes of unwanted medicines.

The study made at SUA, by Gilbert (2001), revealed that due to absence of disposal policies and poor management of capital equipment like motor vehicles which are used by officials for their private purpose, disposal process become impossible. Executives in the public organizations sometimes uses some of the public organization, there does not exist a plan to determine salvage value in terms of economic shelf- life of capital assets which exist in the organization.

2.6 Conceptual Framework

Conceptual Framework (theoretical frameworks) are a type of intermediate theory that has the potential to connect all aspects of inquiry (e.g. problem definition, purpose, literature review, methodology, data collection and analysis). Conceptual frameworks act like maps that give coherence to empirical inquiry. Because conceptual frameworks are potentially so close to empirical inquiry, they take different forms depending upon the research question or problem. There are several types of conceptual frameworks (working hypotheses, descriptive categories, practical ideal type, models of operations research and formal hypotheses) for the

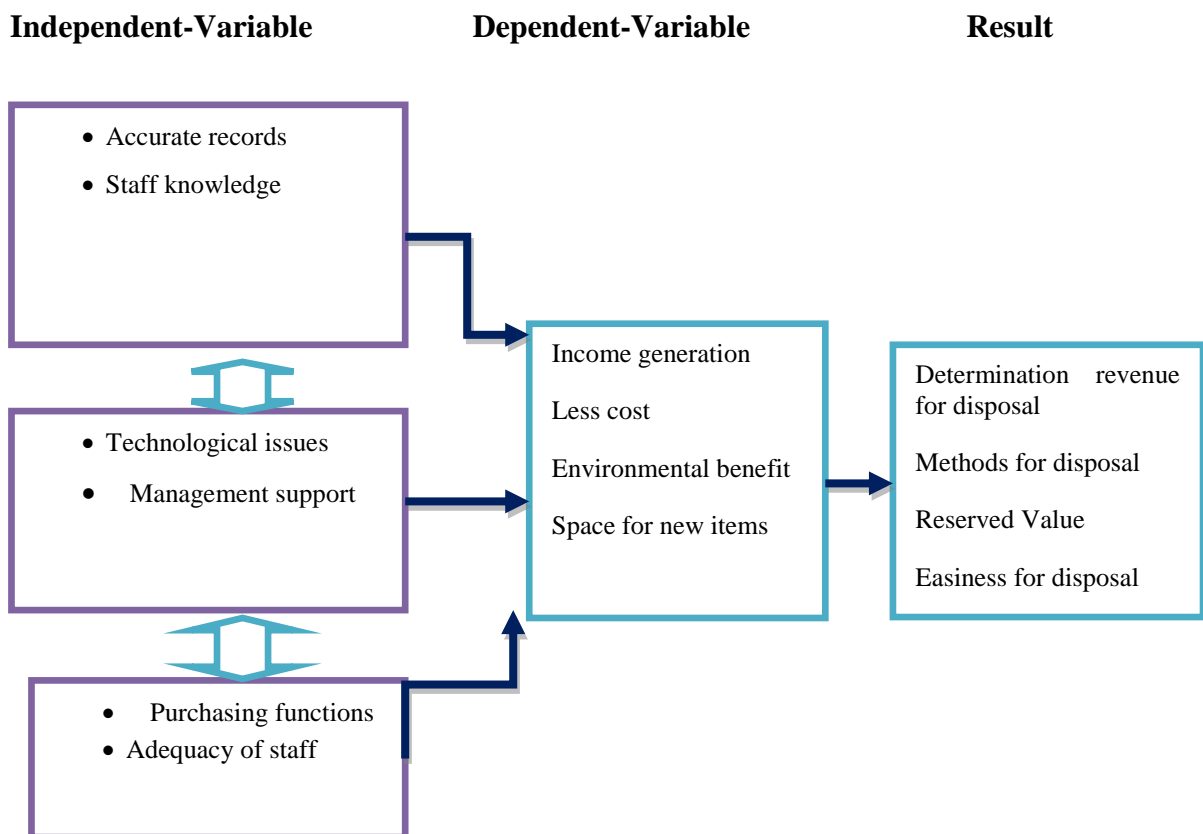
field of public administration. The frameworks are linked to particular research purposes (exploration, description, gauging, decision making and explanation/prediction). When purpose and framework are aligned other aspects of empirical research such as choice of methodology (survey, interviews, analysis of existing data, direct observation, focus group etc) and type of statistical technique become obvious.

The relationships among variables are as follows:

Maintenance of accurate records is very important in examining every detail very carefully in the inventory. Which entries are made on the stock records in contribute to effective working. Also it's necessary to compare the physical stock with the corresponding stock control account; list of balances can be evaluated without reference to any other price records. Accurate record will led to determination of when and how much will be obtained during disposal hence will results into generations of income to the organization concerned.

- **Staff knowledge;** this means that the knowledge of staff will led to identification of equipment to be disposed of. Also the staff will know the time for disposal, this will simplify the disposition process. Therefore the knowledge of staff will contribute to the best methods of disposing equipment; also this will result into good preservation of the environment and human health at large.
- **Adequacy of staff;** the relationship among variable is that due to adequate number of staff in the organization, there will be proper application of methods of disposing and at the same time the choice of selecting people who will be awarded items. This will reduce the number of unused items in stores hence availability of space in stores for the new commodity or materials at the sometime the storage cost will be low.
- **Technologies issues;** due to the development of technology different machines in industries are outdated they are no longer used because of low efficiency in production of commodities. But because of technology the dispositions will be easing because such equipment will be recycled and this will led to availability of space in the stores.

- Management support will play an important role in disposing of equipment because it will enable the person in charge of disposing equipment to choose a proper method for disposal. At the same time determination of revenue will be obtained thoroughly. Also proper identification of value for the equipment will be known hence led into income generation, less cost in inventory as well as space for new items will be available.
- Purchasing function plays an important role in the industry because it's the one responsible for procuring and safe keeping of all materials used within and outside the organization. This is essential for effective stock control in operations because it allows the availability of materials of correct quantity and quality which are in good conditions when they are required. Effective stock control will lead to income generation to the company.



Source: Researcher's design

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically (Kothari, 2003). This study was basically a descriptive study. A descriptive research is one that determines and reports things the way they are (Mugenda,2003). Kothari (2004) states that the major purpose of descriptive research is the description of the state of affairs as it exists at present.

Various techniques were used in answering the research questions and meeting the research objectives. The chapter also discusses research philosophies, qualitative and quantitative research approaches, research design, sampling techniques and data analysis techniques employed. The research methods include the collection of data both from primary and secondary sources. The secondary sources basically included the review of literature from textbooks, other reference materials/documents, and internet and lecture literatures. Interviews, questionnaires and content analysis are used in primary data collection. The data was collected, analyzed by using, tables and percentages and based on the outcome of the analysis, conclusion is made and recommendations given.

3.1 Area of the Study

This study was carried out in Dar es Salaam city. It is located in the eastern part of Tanzania lying between latitudes 6° and 8° and longitudes 39° and 40° E. It has an area of about 1,393 square kilometres, covering a coastal zone of some 10 kilometres to 2 kilometres wide. The region is bounded by Coastal region in all sides, except in the eastern part where there is the Indian Ocean. The site of the city is contained within a lowland area (City Profile for Dar es Salaam, URT, 2004). The study was carried out at the Tanzania Revenue Authority headquarters located in Dar es Salaam. The area was selected to be the case study due to most of the information will be available. TRA was purposely selected because of its potential and prominent role in

the socioeconomic progress of the nation and the huge scale of its procurement and disposal operations. Therefore, the possibility of obtaining large sample for analyses on disposal of noncurrent assets was fairly easy and the researcher managed to obtain the required data.

3.3 Research Design

There are various explanations on the meaning of research design. Generally, a research design is a systematic planning, organizing and executing a research within specified time and resource limits. It tells type of data to be collected (primary or secondary), the source of and the procedures to be followed in data collection. Research design provides suitable framework that guides the collection and analysis of data. Also, Ghauri and Gronhang (2005) talk of a research design as a plan outlining how information is to be gathered for an assessment or evaluation that includes identifying the data, how to administer the instruments and how to organize the information and lastly how to analyze data. This study was employed the descriptive design to assess the effectiveness of disposal of noncurrent asset in TRA. It also involved both quantitative and qualitative data collection. In this chapter, the researcher was having background against which findings of the study was assess regarding its validity and reliability. Therefore this section highlighted the research design, area and population of study, sample selection and size, the data collection methods and data analysis.

3.4 Research Approach

For the better result, the study combined qualitative and quantitative approaches. Participatory approach was employed as qualitative design. Semi structured interviews with key informants, in-depth interviews and observation methods were triangulate in order to allow new insight. The method helps to obtain information that would not emerge from survey approach (Mbwambo, 2002). Research design will be employed for quantitative approach. It is simply express as gathering information about a large number of people by collecting information from a few of them (Black and Champion, 1986). For this purpose questionnaire was supplied. Due to scarcity of resources this design saves cost on time and money.

3.5 Study Population

The population of the study included 60 employees of TRA involved with disposal of assets and also 40 clients of TRA from Dar es Salaam head office who conduct business with the procurement department. The population was purposely selected to meet the objectives of the research.

3.6 Sample Size and Sampling Procedure

Sampling may be defined as the selection of some part of an aggregate or totality on the basis of which a judgement or inference about the aggregate or totality is made. In other words it is the process of obtaining information about an entire population by examining only a part of it (Kothari 2004). This study was comprised of 100 respondents composed of TRA employees and Customers. 60 respondents were employees of TRA obtained from a list of 150 employees and 40 respondents were customers obtained from a list of 200. The study used a non-probability sampling technique called purposive sampling in selecting respondents. Purposive Sampling involves selecting respondents based on key positions they hold in their organization or set up or their relevance and suitability for the current study. The TRA employees were composed of officers of varying levels of superiority and experience and diversified in terms of professions. However all were involved in the disposal of the noncurrent assets. This was intended to capture different perspectives on the issue. The customers also were diversified in terms of their levels of business with TRA and the size of their organizations.

Table 1 Distribution of respondents

S/N	RESPONDENTS	FREQUENCY	PERCENTAGE
1	Director-TRA	3	3%
2	Managers/Principal-TRA	7	7%
3	Suppliers Officers –TRA	15	15%
4	HRM Officers –TRA	15	15%
5	Tax investigator –TRA	10	10%
6	Accountants –TRA	10	10%
7	Customers	40	40%

Source: Researcher's design

3.7 Data Collection Methods

The study utilized both primary and secondary data collection methods. These included the use of structured questionnaires, personal interviews and documentary review.

3.7.1 Primary Data

Primary data was collected through questionnaires and by semi-structured interviews conducted by the researcher.

3.7.1.1 Questionnaire

A questionnaire consists of a number of questions printed or typed in a definite order on a form or set of forms (Kothari, 2004). The study was the structured questionnaires in this study. Structured questionnaires are definite, concrete and pre-determined questions. Questions are presented with exactly the same wording and in the same order to all respondents. 90 respondents were administered questionnaires in this study and only 10 respondents were interviewed. Only senior level officers i.e directors and managers were interviewed. Questionnaires were used because they give respondents time to pass through the questions thoroughly. Also because of limited time on part of the respondents to be interviewed, this method served as a major method of collecting data.

3.7.1.2 Interviews

According to Kothari (2004), interview is a method of collecting data which involves presentation of oral-verbal stimuli and reply in terms of oral-verbal responses. This method was used through personal interviews. The instrument was used in order to supplement the questionnaires for more information. The researcher selected the respondents who had access to the information required. Senior level officers including Directors, managers and principals were specifically targeted for interviews. This class had in most cases the highest education level, in-depth knowledge from years of experience and a bird's eye view of the entire disposal

process including access to external and internal performance reviews, reports and future direction plans of the organization.

3.7.1.3 Observation

This method was used in observing the actual work being done in disposing of the assets through reviews of some documents and finding out how actual conduct and output of the process corresponded with the claims made by respondents.

3.7.2 Secondary Data

This is data obtained from literature sources or data collected by other people for some other purpose. This data provides second hand information and include both raw data and published ones. Some of data collected and stored by organizations include details on the payroll, income statements, and copies of letters and minutes of meetings, newspapers, journals and textbooks (Saunders et al, 2000). According to Kothari (2004), Secondary data means data that are already been collected and analyzed by someone else. Secondary data may either be published data or unpublished data. Published documents are books, magazines, newspapers, reports, public records and statistic, historical documents, technical and trade journals and various publications of foreign governments or international bodies and their subsidiary organizations. Unpublished documents are from diaries, letters, unpublished biographies and autobiographies, scholars and research workers, trade associations, labour bureaus and other public/ private individuals and organizations. Advantages of secondary data are that it is cheap and inexpensive. It is easily accessible. It is already available. It saves time and efforts. It is unobtrusive. It avoids data collection problems and it provides a basis for comparison.

3.7.2.1 Documentary Review

Documentary review is another method that was employed in obtaining data from different publications. Documents such as audit reports, articles in newspapers, blogs, and reports were cited. They are helpful in establishing the model and making a trend analysis of different issues arising in the study. The researcher used check list and compilation forms in the process of identifying and grouping data relevant for

the study. This was helpful in making comparison so as to establish different facts about e-transparency implementation in Tanzania and the world as whole.

3.8 Reliability and Validity of Data

Credibility of research findings relies on the attention paid to two particular emphases on research design: reliability and validity (Saunders et al, 2000 p.100). In this study, reliability and validity aspects were handled with great concern to avoid getting wrong answers to research question and objectives.

3.8.1 Reliability

This refers to how consistent or stable the ratings generated by the scale are. It entails that the measure or data collection methods shall be influenced by changes in context. The validity of information collected is seen in the extent to which the methods will be used to pick up what researcher expected them to (Edwards and Talbot, 1994 p.70). Reliability of the measures will ensure as all questionnaires and interview guide will be in uniform, both respondents. The collected data was process in a uniform way to ensure that, the conclusion reached is similar to any other study that was conduct in similar approach. No research assistant was employed in this study. Different method of data collection, questionnaire, interview and documentary review resulted to high level of triangulation which in turn ensured reliability of the data collected.

3.8.2 Validity

It is important to test for validity because, despite the fact that internal consistence of the scale is necessary condition for validity, it is not sufficient evidence of the validity (Churchill, 1999). Validity is concerned with whether the findings are really about what they appear to be about (Sounders et al, 2000 p. 101). Validity of the measures will ensure by analyzing data and making tests in the before, within and after field work. For example, the statistical data and reviews collected from one branch using questionnaires tallied with those obtained from another branch. Thorough data cleaning was done after the field work.

3.9 Data Presentation and Analysis

Data analysis involves scrutinizing the required information and making inferences (Kombo and Tromp, 2006). Qualitative data was analyzed by summarizing the findings and explanations and thereof using categorized and direct quotations to present the findings and generate attributions. Quantitative data was coded and analyzed in the form of tables, percentages and simple statistical measures calculated using spreadsheet formulas. The process of interpretation was based on inferential statistical methods obtained by the use of SPSS (Scientific Package for Social Science) Version 20 or Microsoft office excel 2007. Analysis of variance and independent samples t-test techniques was used with regard to variables influencing the respondents. Basically, data analysis and interpretations enable the researcher to address the research problem, derive conclusions and eventually recommended possible market implications and actions in a constructive manner.

CHAPTER FOUR

PRESENTATION OF FINDINGS

4.1 Introduction

The data were analyzed both qualitatively and quantitatively such that presentation of the findings uses description or narrations and tables and figures, respectively. The socio-demographic characteristics of the respondents were analyzed in terms of their personal characteristics which include sex, education level, and occupation. As shown below, the findings on the research on assessment of the effectiveness of disposal of noncurrent asset in TRA, have been presented and analysed in tables, charts and explanation. The results included quantitative information that is mainly from 90 respondents, also the qualitative information were taken from the key 10 informants through semi-structured interviews. Internal records were mainly from Annual Reports and Corporate plans while External Sources of data were captured from books Survey of Tanzania, Journals, Magazine and Brochures. The researcher after gathering opinions from different informants who are beneficiaries of TRA had the data then sorted for a thorough analysis. These data are presented under various headings which constitute the different areas of the researcher. An appropriate interpretation had been then carried out coupled with supporting arguments; other views from other researchers were used to support or discuss the findings. It was done in accordance with the three objectives and research questions that guided the study which was; to determine the method(s) used by TRA to dispose noncurrent asset, to examine whether the method(s) used are effective and to find out challenges encountered during disposal of noncurrent asset at TRA. The research questions that guided the study were; what are the methods used by TRA to dispose its non-current assets, are the methods used in disposing the non-current assets effective and what challenges does TRA encounter during disposal. An assessment was done and findings are shown below with their respective questions.

4.2 Characteristics of the respondents.

The respondents to this study were made up of 100 respondents composed of 60 TRA HQ employees involved with disposal and 40 clients conducting business with the procurement department. Questionnaires were distributed to all, however, only 80 were completed and returned, representing 89% response rate. 10 of the respondents comprised of senior level TRA employees were interviewed.

4.2.1 Gender of the Respondents

The study sought to find out the gender of the respondents. It captured the gender of the respondents. Table 4.1 shows their response.

Table 4.1: Gender of the Respondents

Respondents	Frequency	Percentage
Male	60	75
Female	20	25
Total	80	100

Source: compiled from the research 2014

Table 4.1 shows that 75% of the respondents were male while 25% of the respondents were female. Therefore in this study it implies that majority of respondents participated in the study in Dar es Salaam were male compared to female. This could reflect the low numbers of women involved in the procurement and supplies sector and thus could simply be an indication of the gender imbalance in business and employment positions in government in general.

Table 4.2: Age of Respondents

Characteristic	Frequency	Percentage
18 – 25	5	6.25
26 – 35	15	18.75
36 – 45	40	50
46 – above	20	25
Total	80	100

Source compiled from the research 2014

The findings revealed that 6.25 % of the respondents were below 25 years, 18.75% of respondents ranged from 26-35 years, while 50% of respondents ranged from 36-

45years, and only 25% of remaining respondents participated were aged above 46years old. Therefore in this study it implies that those aged between 36-45 years were the majority compared to other age groups. It is assumed that at that age people are active in governance and business and are in most cases experienced at their jobs having performed them for a number of years.

Table 4.3: Education of respondents

Respondents	Frequency	Percentage
Certificate	15	18.75
Diploma/A. diploma	25	31.25
Degree	30	37.5
Master/ Postgraduate	10	12.5
Total	80	100

Source compiled from the research 2014

The level of education of the respondents was as follows; 18.75% of respondents had certificate, 31.25% of respondents had diploma, 37.5% of respondents participated in the study has degree level and only 12.5% of remaining respondents possessing post graduate level. Therefore in this study reveal that most of respondents who participated had degree level of education, closely followed by diploma holders. It is assumed that at this level of education, the respondents clearly understood the important concepts and processes involved in disposal and knew importance of disposing the non-current assets effectively and could assess the challenges faced by TRA during disposal.

Table 4.4: Gender and Education Cross Tabulation

Gender/	Certificate	Diploma	Degree	Post	Total	Gender
Female	4	5	5	6	20	27
Male	11	20	25	4	60	75
Total	15	25	30	10	80	100
Education	18.75	31.25	37.5	12.5	100	100

Source compiled from the findings 2014

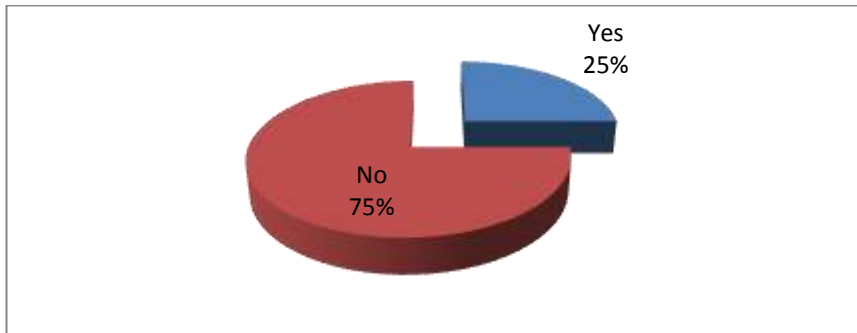
Table 4.5: Demographic characteristics of the study population

Variable Name	Category	Number	Percentage
Sex			
	Male	60	75
	Female	20	25
Age group			
	18-25	5	6.25
	26-35	15	18.75
	36-45	40	50
	46	20	25
Education			
	Certificate	15	18.75
	Diploma	25	31.25
	Degree	30	37.5
	Master	10	12.5
Marital status			
	Single	10	12.5
	Married	50	62.5
	Widowed	11	13.75
	Separated/divorce	9	11.25
Occupation			
	Tax investigator	10	12.5
	Suppliers	8	10
	Managers	7	8.7
	HRM & Accountants	12	15
	Business& others	43	52.75
Duration at business			
	Long	50	62.5
	Short	30	37.5

Source: Field data, 2014

The study showed that nearly three-quarters of the respondents (62.5%) had a long duration of service at TRA. This was interesting as long duration of service directly correlates with work experience. This implies that most of the respondents were fully aware of the activities involved in disposal at TRA.

Figure.1: Proportion with professional training in procurement



Source: Field data, 2014

During the survey the respondents were asked if they attained any professional training in procurement, 25% of respondents who participated indicated “yes” while 75% of respondents indicated “no”. Therefore, as per the study, it was discovered that the majority of respondents didn’t attain any professional training in procurement so there is a need to train people at the working place.

Table 4.6: Assess the relevance of procurement training you have obtained to the undertaking of procurement?

Respondents	Frequency	Percentage
I can’t think	20	25
For related	20	25
No related	10	12.5
Very relevant	30	37.5
Total	80	100

Source compiled from the research 2014

During the survey the respondents were asked how they assessed the relevance of procurement training they had obtained to the undertaking of procurement, 25% of respondents indicated they “can’t think of relevance”. 25 % of respondent indicated that the training was related, while 12.5% of respondents who participated indicated “not related” and only 37.5% of remaining respondents indicated that the training was very relevant. This reveals that the majority of the respondents either could not assess the relevance of procurement training received or thought that the training was irrelevant.

What type of non-current assets do you have in your institution?

During the survey the respondents were asked what types of non-current assets were available in their organization. The list included electronic equipment, motor vehicles, furniture and other office fittings to be the major assets. This indicated that the respondents were aware to a great extent of the major classes of non-current assets available in their organization and which were subject to disposal. This implies that identification of assets that would require disposal is largely possible since the respondents are aware of such assets. Interview results further revealed that most of these assets especially electronic equipment and motor vehicles were considered to be still in good working condition at the time of their disposal while furniture was in most cases damaged.

Table 4.7: What methods does your institution use in disposal non-current assets?

Characteristics	Frequency	Percentage
Returns to the suppliers	8	10
Selling to dealers and brokers	10	12.5
Selling to Employees	15	18.75
Dumping them and bumming	8	10
Use within the industry	15	18.75
All of the above	24	30

Source compiled from the research 2014

The respondents were asked the methods used in disposal non-current asset. The results were as shown in the above table. This implies that all above are methods of disposal of assets. This shows that to good extent the respondents were aware of the methods available for the disposal of non-current assets.

QN: Are there any challenges encountered during dispositions of non-current assets?

Understanding challenges or problems is important because it helps to set strategies that will lessen or alleviate such encountered challenge and in so doing it improves

the practice. TRA has been going through disposal of its capital depreciated assets and undoubtedly there are number of challenges are encountered. The researcher set out to discover such challenges from the opinion of the respondents. The challenges are as presented below:

i. Lack of knowledge among staff about rules and regulations

The study discovered that staffs in TRA lack of knowledge about the process of disposing public assets, especially in the area of rules and regulations stipulated in the PPA 2004 and its regulation. The respondents were also not very conversant with the TRA Asset Replacement Policy of 2010, which provides guidelines on the disposal of noncurrent assets. As reflected earlier on the low number of respondents who have received relevant procurement training, the knowledge gap is indeed wide.

ii. Long delays in authorizing assets for disposal

The review of assets condemnation team’s records relating to obsolete motor vehicles sent to DHRA requesting for approval revealed that there are delays in granting approval for disposal of motor vehicles from various regions lasting periods of one year and above. According to the procedure, once the appropriate condemnation team has successfully identified the items for disposal, they issue a request for disposal to the DHRA. Then the DHRA is required to facilitate the process of granting approval at a reasonable period of time to enable achievement of auction targets. However in most cases, such approval was delayed for a very long time, in many cases a year or more. The table below illustrates;

Region	Date request sent	time taken
Tanga	21.11.2012	1 year and 3 months
Babati	11.07. 2012	1 year and 8 months
Singida	30.08.2012	1 year and 6 months
Dodoma	10.10.2012	1 year and 3 months
Mbeya	27.11.2012	1 year and 2 months
Coast	18.04.2012	1 year and 9 months
Kigoma	10.12.2012	1 year and 1 months
Iringa	03.12.2012	1 year and 1 months
Lindi	26.11.2012	1 year and 2 months

Source: TRA Audit Report 2012

Delayed approval of assets earmarked for disposal results into continued deterioration and hence fetches lower sale values below reserve values as determined by TEMESA at the time of valuation. Physical verification performed by the audit team in 2012 at some regions including TRA HQ, Arusha, Mtwara and Singida found that the motor vehicles continued to depreciate/deteriorate due to extended stay without working. Moreover, other items inside the car were broken to the extent of discarding buyer's interests. That is to say even the value was no longer the same status as was arrived at; by the time the request was sent to HQs in two years' time ago. As regulations do not allow disposal below reserve prices it is possible that the Authority normally engages TEMESA to revalue the listed assets and hence incur additional costs.

iii. Inaccurate depreciation and valuation of disposable assets

Computation of the depreciated values for the non-current assets is not accurate in many cases. This was mentioned during the study that when it comes to the time of calculating the real value of assets, the value of the assets to be disposed is not correctly valued. In most cases, the assets are undervalued. Proper guidelines for the valuation of assets to be disposed are not in place rather the Asset Replacement Policy of TRA is general on the issue of valuation. Despite deliberate devaluation disposable assets in many cases, the lack of clear principles and guidelines on the matter further exacerbates the problem. These findings are supported by the study carried out by Aswile(2003) the study discovered that even though there is established blueprint for disposal of capital assets, still quarries arises due to the following reasons: Policies and procedures for disposal of capital assets are not fully adhered during the process other procedures are considered useless. There is no proper reporting mechanisms, due to poor salvage policy, it result into memory in terms of recording, the report concerning whether certain assets is ready for replacement in terms of economic shelf-life are also delayed. This results to compelling the company to incur a cost in terms of security, deterioration, theft, tying up of space and risk of hazards.

iv. **Procedures for disposing non-current assets are long and complicated**

Respondents complained that procedures for disposing public assets as outlined in the Public Finance Act No 6 of 2001 (Principal Legislation Revised Edition 2004) and its regulation 257(1) of the Public Regulations are long, difficult and complicated. Normally, TRA needs external organ board of survey to make decisions on which item needs to be disposed. TRA by itself have no power of exposing deteriorated assets without consultations from the board of survey and valuation of the assets by TEMESA. It was noted that the time spent from identification to the approval by the Permanent Secretary to the treasury is also too long in such a way that assets value keeps on deteriorating resulting into financial risks and wasting of public money that would have been used in some other development areas. The table below shows items that failed to be disposed in 2012 sales auction due to delays;

Location	Asset Code	Description	Remarks
TRA -HQ	TRA/STD/NAC/BS/003	Bookshelf	Not sold- 2012
TRA -HQ	52011	Counter stool wooden	Not sold- 2012
TRA -HQ	TRA/STD/NAC/CB/003	File cup board steel	Not sold- 2012
TRA -HQ	TRA/STD/NAC/BS/008	Filing Rack wooden	Not sold- 2012
TRA -HQ	TRA/STD/NAC/BS/009	Filing Rack wooden	Not sold- 2012
Location	Asset Code	Description	Remarks
TRA -HQ	TRA/STD/NAC/BS/010	Filing Rack wooden	Not sold- 2012
TRA -HQ	58046	Ordinary chair	Not sold- 2012
TRA -HQ	TRA/STD/LWL/AM/001	Printing Calculator	Not sold- 2012
TRA -HQ	TRA/STD/LWL/TB/004	Desk wooden	Not sold- 2012
TRA -HQ	TRA/VAT/LD/PT/003 (51822)	Printer, LEXMARK	Not sold- 2012
TRA -HQ	TRA/RM/LD/PT/004 (51898)	Printer, LEXMARK	Not sold -2012
TRA -HQ	57807	Air Condition/LG	Not sold -2012
TRA -HQ	TRA/RM/LD/KB/005 (51775)	Key Board IBM	Not sold -2012
TRA -HQ	51796	Key Board HP	Not sold -2012
TRA -HQ	TRA/VAT/LD/KB/007	Key Board IBM	Not sold -2012
TRA -HQ	TRA/RM/LD/KB/006	Key Board IBM	Not sold -2012

Source: TRA Audit report 2012

v. Low participation of staff in the process

Involvement of user department staffs in the identification of assets to be disposed is another challenge mentioned during the study. Respondents said that in TRA, there is difficulty in implementation because lower level staffs are not much involved in the process of identifying assets that are not working properly or have deteriorated. They have to just accept decisions made by the top management. As a result some tend to reject decisions from the top management, saying that the assets should not be disposed because they are still in good conditions. To please them, TRA has been having the habit of giving first priority to staffs who want to buy them as a way of motivating them, the danger observed is that, there is great possibility of devaluing items to be disposed just because the management wants to please staffs and get rid of staffs resistance.

vi. Difficulty in identifying assets for disposal

Due to the scale of TRA's operations nationwide, there is a huge volume of assets requiring disposal per given year. In some cases, damaged or obsolete assets are not reported early by user staff but are rather dumped in stores resulting in further deterioration. Identification of assets early for disposal is essential to maintain their value so as to get the best returns when disposed. Also poor asset records affect the accurate tracking of such assets so as to determine when their useful life expires. This results in assets being used far beyond their recommended life time.

QN: What procedures does your institution use to dispose its assets to protect the environment?

The researcher wanted to know from the informants whether they knew or have heard about the procedures for the disposal of public assets, because this enables the researcher to understand the extent to which staff who practice the disposal of non-currents assets understands it formally. On top of that, it helps the researcher to be sure of the validity of data to be collected that is data collected are from the right respondents. The research findings revealed that 86% of all informants approached responded positively that they have heard about it, this is due to the fact they all work

with the TRA and some of them for example PMU staffs are sometimes involved in the disposal of such public assets. On the other hand 14% of informants approached responded negatively claiming that they did not know about disposal of public asset especially the technical contents of the process. Further exploration through the interview revealed that most of the staffs have heard about disposal of non-current assets informally and this doesn't mean that they know in details about regulations, procedures and likes since most are not involved fully in the whole process of disposing public assets. Except few from the PMU, the general implication of these findings is that, information on guidelines and procedures for the disposal of public assets are not clearly communicated to the staffs, they are only understood by the heads of divisions and units.

Table 4.8: Does your company have any guidelines and regulations to follow while disposition of noncurrent assets

Characteristics of respondents	Frequency	Percentage
Yes	60	75
No	8	10
Don't know	12	15
Total	80	100

Source compiled from the research 2014

During the study the respondents were asked if there any guidelines and regulations to follow during disposition of non-current assets. 75% of respondent indicates “yes there is”, whereas 10% of the respondents indicated “no there is no guideline” in TRA. 15% of remaining respondents knew nothing if any guidelines and regulations to follow while disposition of non-current assets. Availability of Rules and Regulations is always important when it comes to the issue of ensuring control and management of public assets disposal process. Rules and Regulations describe the steps to be followed by the organization or agency which is in need of disposing its public assets. The disposal of non-current assets is a very sensitive undertaking that needs a high level of compliance to the rules and regulations. Presence of sound rules and regulations enables the organization to have a uniform flow of its procedures during the disposal of assets.

Table4:9 Does institution realize profit from its obsolete materials by sales to other companies and dealers in the form of spare parts or the whole equipment?

Characteristics of respondents	Frequency	Percentage
Yes	20	25
No	20	25
Don't know	40	50
Total	80	100

Source compiled from the research 2014

The respondents response to this question were as follows; 25% of respondents indicated yes, 25% of respondents indicated no and 50% of respondents knew nothing if institution realize profit from its obsolete materials by selling to other companies and dealers in the form of spare parts or the whole equipment. This revealed a clear lack of profit motive among practitioners while disposing assets. It seems the officers were keener on disposing such assets regardless of whether they were disposed at a profit or loss.

Table 4.10: Do your institutions have a policy of selling disposed non-current asset to employee or donating to educational institutions for learning purposes?

Characteristics of respondents	Frequency	Percentage
Yes	40	50
No	20	25
Don't know	20	25
Total	80	100

Source compiled from the research 2014

During the survey the respondent was asked do your institutions have a policy of selling disposed non-current asset to employee or donating to educational institutions for learning purposes. 50% of respondents indicated yes, whereas 25% of respondents said no, while 25% of respondents knew nothing. Therefore in this study it implies that TRA has a policy of selling disposed non-current assets to employees or donating to educational institutions for learning purposes. This is a pretty standard practice. Equipment or components may be disposed of by the following methods: by sale through the trade press; sale to a stockiest or dealer; auction or through trade auctions; return to the supplier- usually this will be at a discount but stock will have

been turned into cash; sale to employees- especially cars, computers and office equipment; and donations to charitable organizations (Lysons & Gilligham, 2003)

QN: Are policies of disposing asset properly followed at institution in the effective way so as to make profit and at the same time conserve the environment?

It was discovered that employees tried to the best of their knowledge to adhere to set policies during disposal, however profit was not realized in most cases. However, despite environmental awareness not being high on the agenda during disposal, respondents informed that TRA rarely used environmentally destructive methods like burning to dispose its assets. Where the assets were deemed impossible to sell off, they were donated to other institutions like VETA for educative purposes. Literature indicates that having a policy within the organization helps to simplify the process of disposing capital assets as it guides the whole process. These findings are in line with the study made at SUA, by Gilbert (2001), revealed that due to absence of disposal policies and poor management of capital equipment like motor vehicles which are used by officials for their private purpose, disposal process become impossible. Executives in the public organizations sometimes uses some of the public organization, there does not exist a plan to determine salvage value in terms of economic shelf- life of capital assets which exist in the organization. This leads to difficulties in disposing some of non-current assets.

QN: What are methods do you advise the management to dispose its non-current in the most effective way so as to make profit and at the same time conserve the environment?

Internal Transfer

Transfer of equipment from one organization to another may be arranged by agreement between head of department or organization within the same organization. The approval of relevant company manager or administration is required for internal transfer to another within the same organization. Internal transfer may agree on low cost base or at negotiated price.

Sell to the Employee

Many firms make it a practice to selling the product they manufacture, their surplus equipment and materials to the employees. If the surplus are the results of overstocking or obsolescence but they are in good condition they are sold to employees.

Dumping and Burning

If no buyer or user can be found for the items the firm may have to destroy or burning the items, this can be quit costly therefore caution should be taken to protect environment and assure that disposal method for dangerous materials do not create hazard to the public. Dobler,1990 highlight that environment sensitive purchasing unit make good business .This imply that ,there are must be good disposal of non-current assets which is friendly to the environment.

Sale by Tender

When it is considered that, there will be minimum interest from the organization/portfolio within the ministry, staffs arrange for items to be public advised for sale by tender. This process may be through the competitive open tender, auction market, restricted tendering and other.

Sale through a broker

The role of the brokers is to bring buyers and sellers together for which they take a commission. Many metal scrap is disposed of though this channel. This method is often used by selling organization and many present interesting alternatives for the buyers in the equipment acquisition process.

Donation

Donation is normally conducted when assets cannot be easily sold on the market for a reasonable price yet they still have functional value. This can occur for example for highly specialized equipment, obsolete equipment etc. Such equipment can be used

for educative purposes hence could be donated to institutions like VETA for such purpose.

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.0 Introduction

This chapter discusses the results gathered from the analysis of the data, as well as the conclusions reached. The chapter incorporates the various suggestions and comments given by the respondents in the interview. Findings have been summarized alongside the objectives of the study, conclusions have been drawn from the study and the recommendations for action are also given.

5.1 Discussion of findings

The disposal process at TRA is governed by the Asset Replacement Policy of 2010. The disposal process according to the policy is left to interpretation as per the PPA 2004. The policy states that; On the basis of age analysis, the Department responsible for Administration shall obtain approval from relevant authorities to dispose Non-Current Assets that: -

- (i) Have outlived their economic useful life.
- (ii) Are regarded as scrap.
- (iii) Are found to be obsolete due to technological changes.

The Authority shall dispose Non-Current Assets through any of the following methods as approved by the Board or the Commissioner General as the case may be from time to time: -

- (i) Public auction
- (ii) Sealed tenders by staff
- (iii) Donation to public Institution
- (iv) Destruction (incase i-iii fails).

5.1.1 Critical Assets of the Authority

The following categories of assets are considered critical for the Authority to accomplish its core business effectively and efficiently as per TRA Asset Replacement Policy of 2010;

- i) Buildings: These include Office and Residential buildings at Dar es Salaam, Zanzibar, Regions, Districts, Transit and Border stations.
- ii) Motor vehicles/cycles for revenue and Support Operations.
- iii) Computer Hardware, Software and Licenses for efficient and effective processing of operational information pertaining to revenue operations and support services.
- iv) Boats and Crafts for carrying out Surveillance and Patrols along the coastline and the lakes which are at the Borders of our country.
- v) Telecommunication networks for effective communication and transmission of information.
- vi) Office equipment and machinery for effective and efficient running of office operations.
- vii) Furniture and fittings necessary for carrying out office operations.
- viii) Land for construction of office buildings to support future growth.

According to the Public Procurement Act No 21 of 2004 (PPA) and its regulations of 2005 Stores, vehicles, plant, equipment or such items which although serviceable are no longer required by the Government, if they are sold, must be disposed of by the public or by tender public advertisement, unless the specific approval of the Permanent Secretary has been obtained for them to be sold by other means”.

Regulation 254 (1) of the Public Finance Regulations (Condemnation of Unserviceable Store etc.) states that “Where it was considered that stores, vehicles, plant or equipment have reached the end of their useful life or are beyond economical repair or are unserviceable for any other reason or had become redundant through obsolescence they must be retained until a sufficient quantity has accumulated to merit the convening of a Board of Condemnation to inspect them. The law which governs disposal of asset is mostly procedural as shown above. The technical aspects of the process from which actual value can be obtained by the disposing organization is left to the organization itself.

Disposal of public assets can never be approached as an independent activity by itself. It is part of the larger principle of Asset Management which starts with procurement of the asset, operation and maintenance and finally disposal.

5.1.2 The disposal process

For the disposal process to be conducted effectively, it must follow a set of predetermined steps. According to the Better Practice Guide on the Strategic and Operational Management of Assets by Public Sector Entities (2010), the following steps are recommended:

- Identification of surplus, obsolete and under-performing assets
- Replacement strategy
- Evaluation of disposal alternatives
- Write-off of damaged or missing assets
- The disposal plan

5.1.2.1 Identification of surplus, obsolete and under-performing assets:

The disposal decision cannot be taken in isolation. While disposal is viewed as the final stage in asset management, it is common for disposal action to start from the acquisition of a new asset or a replacement asset. It is of course important to note that disposals are not the end of asset management. A key component of asset

management is to take a strategic view of which assets are best retained and efficiently exploited, as well as to identify those which should be disposed of to generate resources for reinvestment.

Quite often new assets are acquired in advance of disposal of assets earmarked for disposal, with the result that such assets not only deteriorate over time, thus reducing the realizable value, but also occupy valuable space, which could be put to better use. The underlying assumption is that management has the necessary information to be able to determine which assets need to be disposed of, and when. Such information can be acquired from a well maintained asset register.

The Asset register

The On Line Asset Register is the starting point for analysis as it records not only the useful lives of the class of assets, but also the trend of expenditure on maintenance of various assets. The on line analysis is able to provide an indication of the timing of major replacements in the normal course. It is self-evident that, to be used in such a way, the assessments of useful life must be as realistic as possible.

The actual life of individual assets will vary from the 'average' life established for that category of asset in the on line asset register. Therefore, it is important that condition monitoring and performance assessment are undertaken, with the results recorded and again analyzed on the online asset register. With more and more analysis of collected history over several years, the timing of the disposal decision will become more realistic. It is therefore, necessary that for all major assets, useful life of all categories of assets be re-assessed annually.

5.1.2.2 Replacement Strategy/ Alternatives to Disposal:

Where assets have been identified as under-performing, or no longer functionally suited to program delivery needs, thought should be given to the possible alternatives to disposal. A factor to consider is whether utilization can be increased by adapting the asset to another function or using it in another program. Lists of assets flagged for disposal should be first circulated within department and Ministry concerned and then to other Ministries for possible utilization. For example, older IT equipment

may be used within Ministries for training purposes or transferred to schools/ colleges for use in teaching etc., prior to commencing disposal action.

Refurbishment or an upgrade of the asset may also be viable. The cost and benefit of such alternatives should be included in the costed disposal plan. All requests for acquisition of new assets should be accompanied by a report on the existing assets- whether new asset is an addition (justify) or replacement – in case it is replacement- full details of disposal of existing asset should be given. In some cases it has been noticed that old assets are still in place, when new assets arrive, increasing cost of commissioning of new asset and/ or crash disposal of existing asset, without finding out if the asset can be usefully employed at a place where workload is less etc.

5.1.2.3 Evaluation of disposal alternatives/ Assessment of Performance:

Better practice suggests, in addition to undertaking the cost-benefit analysis of the methods of disposal, asset managers should be required to compare actual life of an asset at the time of stoppage of its usage (for disposal), with the original expected useful life and to explain significant variations.

At the very least a comparison of the actual timing and proceeds on disposal should be made with the standards established for the particular class of assets which have to be laid out in each Ministry. This is a means of confirming that the useful life, estimated proceeds, and therefore, the depreciation rates used, are valid. It also provides the opportunity to identify causes where assets are routinely not meeting the service life expectations or their estimated proceeds on disposal. A higher level review also needs to be undertaken at regular intervals to ensure that the Government's disposal policies, as set out in these Guidelines and in the financial handbook are being met.

5.1.2.4 Selecting Method of Disposal

The PPA 2004 contains instructions regarding the available disposal methods for unserviceable assets. The primary methods of disposal are sale by public auction or tender, sale by private treaty, trade-in and write-off. One method which is often overlooked is the sale or transfer of assets to other government agencies. Whatever

method is chosen it is important, not least for accountability and transparency, that a properly costed evaluation of relevant disposal options is prepared. This should take into account both the costs associated with each method of disposal and the likely benefits (including possible proceeds).

5.1.3 Value for money in disposal

Disposal of assets doesn't make any economic sense if it is conducted without the consideration of value for money. Considering the number assets that TRA disposes, there is significant income that can be earned if the process is conducted with the objective of value for money in mind. The process of disposal itself encounters some costs known as disposal costs. According to the Better Practice Guide on the Strategic and Operational Management of Assets by Public Sector Entities paper (2010), disposal costs include the cost of removing a product after its usefulness has ended, including costs to decommission, dismantle, make environmentally safe, transport and dump. Further costs involved in the disposal may include: valuation of stores, assets or equipment; consultancy costs for preparation of a disposal proposal; disposal proceedings management and supervision costs in the case that a disposal agent may be hired; or costs relating to facilities, services or resources to be provided by the procuring entity, such as office space or communication facilities for consultants or counterpart staff, access to the stores, assets and equipment in the case of pre-bid site visits and conferences. Such costs need to be optimally offset by the proceeds of the disposal process where sale of the assets is concerned or absorbed by the organization when other methods of disposal are used. A key component of acquiring the best value for the assets is pricing.

Menon (1998) states that for equipment, machinery, and vehicles, it is usual to fix a reserve price. If offers received are below this price then negotiations may be held to raise the prices. Menon adds that some companies separate power for disposal. Various officers can dispose of goods for which a reserve has been obtained and for those goods that the reserve price has not fully been achieved; a more senior officer must approve the transaction. There should be a proper procedure laid down for all

disposals and accountability should be fixed. It would be preferable to have a team to constantly investigate the possibility of better prices (Menon, 1998).

Procuring entities are encouraged to apply reserve prices where it is found necessary to ensure a fair price is achieved. The IFRS defines fair value as the price that would be received to sell an asset or paid to transfer a liability (exit Price) in an orderly transaction between market participants at the measurement date (current prices). Fair value is a market– based measurement and not an entity-specific measurement (Ernst & Young, 2011). An entity may choose to measure the fair value of plant and equipment by various methods:

- i. cost less accumulated depreciation and accumulated impairment (cost model) or
- ii. Fair value less subsequent accumulated depreciation and accumulated impairment-revaluation model (Ernst & Young, 2011).
- iii. Net present value method; Public bodies can compare the current market value of the asset plus the net present value (NPV) of any other cost-benefit effects due to disposal (e.g. efficiency gains) with the NPV of retaining it in the public sector, including social cost-benefits of retention. If there are any social costs and benefits that would remain unaffected by retention or disposal, these should be excluded from both sides of the calculation.

5.1.4 The impact of corruption

Goods to be disposed of are public resources and, even if redundant or depreciated, may still have financial value for the agency. Public sector agencies that regularly dispose of depreciated, redundant or excess stock need to ensure they have standardized methods to manage the disposal of unwanted resources in a transparent and accountable manner.

Consequently disposing of goods should be carefully planned and conducted in a way that obtains value for money for the agency and reduces opportunities for exploitation by individual employees, private persons or organizations. The improper disposal of goods and property can constitute corrupt conduct as defined in the law.

According to the Presentation on the Tanzanian Efforts in curbing Corruption (Hosea 2009), TRA is ranked no. 6 on the list of most corrupt government institutions in Tanzania; this is not a good position.

5.1.4.1 Corruption risks

A risk assessment of how a public sector agency manages the disposal of goods and property is likely to identify some or all of the following corruption risks:

- An employee deliberately undervaluing agency assets that are to be disposed of with the aim of purchasing the items for him/herself.
- An employee responsible for arranging the disposal of goods directing the contractor to make the payments directly to him/her.
- An employee involved in conducting an in-house tender for the disposal of goods providing information about tender prices to a potential tenderer prior to the completion of the process.
- An employee destroying records concerning the disposal of goods to cover his/her corrupt activity.
- An employee deliberately over-ordering resources to use the 'surplus' for personal gain
- An employee regularly misappropriating goods.

5.1.4.2 Managing corruption risks

According to the *crap and Low-Value Asset Disposal – A Best Practice Checklist*, Crime and Misconduct Commission (Wales), March 2002, a few solutions are offered on how to deal with corruption risks;

Policy initiatives

- Introduce strict policy and procedures for the disposal of goods and property
- Include in the policy sanctions for any breach of the policy and procedures.

- Review the policy every two years.
- Refer to the disposal of goods and property in all relevant corporate documents such as codes of conduct.
- Develop policies and procedures about the use of specific types of resources such as vehicles or communication devices.
- Train all relevant employees in the policy and procedures to ensure they are aware of their accountabilities.
- Include the disposal of goods and property as a risk to be assessed in the agency's internal audit and corruption risk management processes.

Risk management strategies

Following your risk assessment of the disposal of goods and property you should consider these risk management strategies:

- Conducting regular reviews of the procedures for ordering goods and services to check for compliance.
- Where appropriate, making arrangements with suppliers that unused goods can be returned.
- Segregating duties in the decision-making process when disposing of goods.
- Keeping goods secure and consistently applying an asset control system for the valuation and storage of goods.
- Obtaining appropriate external valuation of resources prior to disposal.

Record-keeping and reporting strategies

- Keeping details concerning the date of purchase of resources, length and condition of warranty, maintenance and repairs undertaken, and other related information for consideration in the valuation and disposal of goods.

- Conducting and recording regular inventories of goods.
- Keeping a checklist of each stage in the disposal process including the decision to dispose, valuation of items, and who approved the disposal of the goods, plus the method of disposal – for example, through public advertisement, auction, or in-house tender.
- Keeping a record of the external valuations.
- Maintaining a register of all the assets held by the agency.
- Regularly auditing the asset register to ensure no items have been improperly disposed of.
- Referring to the underpinning legislation and government policies.
- Putting asset maintenance systems in place to determine and report on when goods become surplus and/or unwanted and what their monetary value is at that point.

5.1.5 The impact of the law versus moral crisis

Despite the existence of the anti-corruption law, and wide ranging initiatives by the government to fight this vice, TRA like many other government agencies and bodies still struggles to stamp out corruption in its activities. Many employees collude with each other and other powerful clients to defraud the government when it comes to disposing the assets. This is done for personal gain while causing the government to incur many losses. The law has thus so far seemed impotent in stopping this vice.

While the legal framework in place may be good for regulating public procurement practices in the country, Finnis (1980) observes that the law does not function in a vacuum. Finnis makes an essential claim that the law is a social institution whose purpose is to regulate the affairs of people and thus contribute to the creation of a community in which all people can flourish, a community in which everyone can realize the different basic values. In this way, the law is a moral project and provides

a clear connection between moral philosophy and legal philosophy and should be upheld by all actors.

Whether one's description of law is correct or not will in part, but very significantly depend upon whether one's moral views are correct, for one's moral views will inform the way in which one conceives of the project of law. In this way, good laws alone cannot deliver the expectations of Tanzanians as far as public procurement reforms are concerned. The country was very positive and optimistic that the Public Procurement Act (PPA) of 2004 and other backup laws would help to end corruption and impunity in public procurement sector in Tanzania. Many cases of corruption and impunity in public procurement have been reported despite the tightening legal regime in the sector.

Survival of corruption in a tightening legal regime can be understood when one interrogates Finnis' (1980) assertion that philosophy of law is continuous with general moral or ethical philosophy. In short, a critical perspective on the standards of behavior upheld by public officers is crucial in enhancing the operations of the law. Since corruption and impunity in public procurement sector is a moral issue that borders on personal behavior characteristics, it is the role of the law to enforce institutional morality in the human elements of the system. Without this, the law is bound to fail. OECD (2009) notes that public procurement and disposal is traditionally one of the government sectors most vulnerable to corruption, due to its size, complexity and the sums of money at stake that provide both incentives and opportunities for corrupt behaviors. The root cause of this corruption can be understood from Herbst (1990) perspective that public procurement constitutes the principal instrument for exercising political patronage, a practice that is especially prevalent in Tanzania and many other African countries since there are very few means of economic advancement outside of the state.

Odhiambo and Kamau (2003) indicate that common corrupt practices in public procurement involve public officers, often under the influence of powerful politicians and businessmen, only inviting preferred firms, favoring certain firms at the short-listing stage, designing tender documents to favor particular firms and releasing

confidential information. According to Migai-Akech (2005), this state of affairs is exacerbated by the fact that the procurement system is manned by junior officers, who are powerless to correct any anomalies and may easily be manipulated by their seniors and powerful politicians. He further observes that corruption in public procurement is also facilitated by lack of transparency and elitist process of public procurement whose demands are invariably beyond the accessibility of ordinary tenderers.

Within this context, public procurement reform has essentially been about addressing corruption risks, with the view to reducing opportunities for public officials to solicit or accept bribes at the various stages of procurement processes as well as strengthening internal and external controls to ensure enforcements. Yet, as this study reveals, procurement reform usually affect the interest of well-connected and organized groups in society, and the reform processes is therefore faced with major opposition and resistance among the ruling elites who are the major beneficiaries.

5.1.6 The complexity of the regulatory framework and low capacity of staff

The Asset Replacement Policy 2010 which TRA applies to dispose its noncurrent assets does not elaborate in details on the procedure to be used when disposing the assets. It simply states that on the basis of age analysis, the department responsible for administration shall obtain approval from the relevant authorities to dispose noncurrent assets. The procedure for obtaining such approval is outlined in the PPA 2004 and its regulations. The procedure is very long and complicated and very hard to implement effectively in practice. Due to the levels of bureaucracy in our government, such a procedure would take months by which time the assets have further deteriorated or lost market value. For example, for assets to be disposed by TRA, approval should be sought from the Permanent Secretary of the Ministry of Finance, who would also further seek to verify the values of the assets. Also assets to be disposed should be pooled until they reach a sufficient quantity, for inspection by the Board of Condemnation before they can be disposed. This means that there are many hands that need to participate in the process before the assets can be disposed. This increases complexity and lengthens the process. This was raised during the

interviews by several respondents as a major challenge. The problem of complexity of these procedures is made worse by the fact most employees are not very conversant with the requirements of the PPA 2004. Many have not received relevant procurement training, thus just work without fully understanding the procedures involved. Many just depend on past transactions and hence undertake the procedure as performed in the past, without consideration for current changes and reforms that are being undertaken. Due to this past mistakes are often repeated and improvement of the process is very difficult.

Without increasing the capacity of workers through training and education, it will be very difficult for them to adapt to new changes that may be required to improve the process. As TRA and the procurement community moves forward towards extensive use of information and communication technology as a means to improve the procurement operations in the country, training is essential if the new initiatives are to succeed. Workers need to have a full grasp of their activities so that they can make informed decisions and undertake their activities with the full compliance of the laws and regulations.

5.1.7 Strategic asset management

The challenges faced during the disposal of public assets in public organizations can better be addressed by new novel ways of managing the assets. Reforms in the practices of disposal need to be addressed as part of the strategic management plans of the organization to ensure that effectiveness and efficiency in this area is achieved. Assets usually only exist within entities in order to either directly or indirectly support program delivery, and this underpins the five broad ‘principles’ of asset management used in this Better Practice Guide. These principles are that:

- asset acquisition, disposal and life-cycle management decisions are integrated into an entity’s strategic and organizational planning;
- asset planning decisions are based on an evaluation of alternatives, which assesses risks and benefits, and applies the Government’s core procurement principle of value for money across the asset’s life-cycle;
- an effective control structure is established for asset management;

- accountability is established for asset condition, use and performance; and
- Disposal decisions are based on analysis of the methods which achieve the best available net return.

The principles of asset management derive from practical experience and reasoning, and inform both strategic asset management and its practical application to the asset life-cycle.

Asset management decisions should not be made in isolation from the broader decision-making and financial management of an entity. Asset management in better practice entities is part of the overall framework of decision-making in the organization, integrating its asset portfolio within the entity’s strategic goals. Asset management is most effective when it is aligned to delivery of an entity’s outcomes and programs. The figure below shows the essential elements of an effective asset management strategy;

Figure 2.0: Elements of an asset management policy



Source: Better Practice Guide 2010

5.1.7.1 Integrated planning

An asset management strategy will assist entities to integrate their approach to planning over an asset's life-cycle through the identification of asset interdependencies such as:

- planning decisions which affect long-term operational and maintenance costs;
- poorly designed and managed maintenance programs which lead to planning for asset replacements earlier than intended; and
- Rationales for disposal of assets, such as low utilization, poor functionality or end of useful life that will feed into the broader planning process.

A comprehensive asset management strategy establishes the performance requirements of assets where entities are committed to using assets to achieve their program delivery requirements. The supporting sub-plans to an asset management strategy will typically have a long-term focus, underpinned by more detailed shorter term plans that will usually include:

- an acquisition plan;
- an operations plan;
- a maintenance plan; and
- a disposal plan.

5.1.7.2 The Disposal plan

A disposal plan should be an integrated part of an asset management strategy in that it leads into the planning process for new or replacement assets and is a powerful management tool in assessing why the performance of certain assets may not have worked as intended.

Significant revenues may arise from asset sales and these may either be returned to government or used to fund future asset acquisitions, depending on the nature of the disposal and subject to Department of Finance and Deregulation guidance.

Planning for any significant disposal should include:

- rationale for disposal;

- the proper costing and evaluation of disposal alternatives;
- engagement of experts to assist in professional valuation and disposal;
- due diligence reviews to ensure there is sufficient transparency and accountability for asset disposals including compliance with legislative requirements; and
- Proper approval authority, both within and outside the entity where required.

CHAPTER SIX

RECOMMENDATION AND CONCLUSION

5.1 Recommendations

It is recommended that TRA should fully incorporate asset disposal in its organization wide plans and strategies in order to dispose its assets effectively and earn some profits in the process. A good strategic asset management plan should be developed through cooperation between top management and staffs together with other stakeholders.

Further still, top managements, heads of units and other staff should be educated and trained on the established policy because these are the decision makers and implementers when it comes to the issue of disposing non-current assets within the organization; they need to understand very well the procedures and guidelines.

Also, computation of salvage value of assets should be calculated properly by staffs through application of recommended valuation methods instead of just relying on past figures which may not reflect the current circumstances. Financial methods of asset valuation should be applied in order to attain a fair value for the assets.

In addition to the above, efforts to combat corruption should be increased in order to avoid devaluation of the assets for personal gain. This can be attained through increased transparency in order to avoid shady deals that can cause losses to the organization.

Lastly but not least, the procedures for disposal should be simplified to enable cost saving, time saving and reduce further deterioration of the assets during storage. This will enable the assets to fetch a better price in the market while also cutting costs for storage, maintenance and other administrative costs. The result of such improvement would be better value for money from the disposal process. Also this will reduce

corruption opportunities and thus improve the image of the organization before the public.

5.2 Conclusion

The need to review the policies and practices of disposal of capital assets for TRA are clearly illustrated in this report. TRA being a major procurer of such assets has much to lose if they are not disposed of properly. Throughout the report gaps have been exposed between the desired output and the actual output of the disposal process, thus illustrating a need for intervention.

The recommendations suggested in this study can be a good starting point however further research and dialogue is still required in addressing the issue. Therefore urgent and sufficient action needs to be taken by all stakeholders involved, but more especially by the top management of TRA and other public organizations in ensuring that they fully incorporate asset disposal in their strategic asset management plans. Such plan and strategies should be compliant with the PPA 2004 and its subsequent regulations but adapted for the specific needs of each organization. Implementation of such strategies should be undertaken meticulously through empowerment and education of staffs, increased transparency, and cooperation among all stakeholders to ensure that intended goals are achieved.

5.3 Policy Implications

This study elaborates the importance of instituting strategic asset management as part of the national procurement policy to be implemented by all public institutions for the better management of their assets. This will enable a better disposal process to be conducted that will be in line with the strategic objectives of these organisations. It is also important for education and training to be included as part of the important policy issues. This should go along with simplification of the legal framework to make the process more effective.

5.4 Area for Further Study

The research is endless process; therefore, the research should be extended by other researchers for further studies so as to increase knowledge on effective capital assets

disposal in public organization like: identify and assessing scraps materials, surplus materials and value assets, to determining appropriate methods of disposal, managing items earmarked for disposal and recoding disposal.

REFERENCES:

- Abdul Samad, S. (2007) *Critical Issues in Managing Government's Assets and Facilities in Malaysia*, NAFAM Convention 2007, Kuala Lumpur on 13 August 2007.
- Australian National Audit office (2010), *Better Practice Guide on the Strategic and Operational Management of Assets by Public Sector Entities*, Canberra Australia
- Crime and Misconduct Commission (2002), *Scrap and Low-Value Asset Disposal – A Best Practice Checklist*,
- Environment Division (2005), *National Waste management Strategy and Action Plan 2009 – 2013* , Vice President Office
- Finnis, J. (1980). *Natural Law and Natural Rights*. Oxford: Clarendon Press.
- Gopalakrishnan, P.(2004) *Purchasing and Material Managements*, New Delhi, Tata Mc, craw
- K.Lyons, B.Farrington, (2006). *Purchasing and Supply Chain Management*, (7th Ed), Pearson Education Limited, Edinburgh Gate Harlow Essex CM 20 2JE England
- Kothari, C. R. (2004). *Research Methodology: Methods and Techniques*. New Delhi: New Age International (P) Ltd Publishers.
- Leenders, R. M., Fearon E.H., Flynn E.A. & Johnson F. P. (2002). *Purchasing and supply Management*. New York: McGraw-Hill.
- Leenders, R. M., Fearon E.H., Flynn E.A. & Johnson F. P. (2002). *Purchasing and supply Management*. New York: McGraw-Hill.
- Lewa, M.P. (2007). Management and organization of public procurement in Kenya: A review of proposed changes. *Discussion Paper No. 092/2007*. Nairobi: Institute of Policy Analysis and Research (IPAR).

- Lysons, K., & Gillingham, M. (2003). *Purchasing and Supply Chain Management*. Harlow: Pearson Education.
- Malcolm, Saunders (2006). *Strategic Purchasing & Supply Chain Management*; (2nd Ed), Pearson Education Limited, Edinburgh Gate Harlow Essex CM 20 2JE England
- Menon, K.S. (1998). *Stores Management*. Delhi: Macmillan India Limited.
- Migai-Akech, J.M. (2005). Development Partners and Governance of Public Procurement in Kenya: Enhancing Democracy in the Administration of Aid. *A Paper Prepared for the Global Administrative Law Conference at the NYU School of Law on April 22-23, 2005*.
- Migai-Akech, J.M. (2007). Development partners and governance of public procurement in Kenya: Enhancing democracy in the administration of aid. *NYU Institute for International Law and Justice (IILJ) Working Paper 2006/3*.
- N.Denzin, K. Lincoln (1994), *Introduction, Entering the field of Qualitative research, Handbook of Qualitative Research*, London: SAGE Publications.
- Ogwengo, K.O. (2007), *Causes of delay of disposal of obsolete and redundant stores, case of Ministry of Health Headquarters*. Unpublished research project. Jomo Kenyatta University of Agriculture and Technology, Nairobi.
- P. Baily, D. Farmer, D. Jessop, D. Jones,(1998). *Purchasing Principles and Management*. Essex: Pearson Education.
- Public Procurement Oversight Authority. (2009). *Public Procurement and Disposal General Manual*. Nairobi: USAID Kenya.

Remeyi, D. Williams, B. Money, A. & Swartz, E. (2000) *Doing Research in Business and management, An Introduction to Process and Method*, London: SAGE Publications.

Saunders (2007), *Research Methods for Business* ,Students,4th Edition Person Education ,London.

Saunders, K. Lewis, P., Thornhill, A. (2000) *Research Methods for Business Student 2nd Ed*, Essex: Pearson Education Limited

Sekaran, U. (2003) *Research Method for Business. A skill Building Approach*, New Jersey: John Wiley & Sons, Inc

The Public Procurement Act No.21 of 2004

University of Leeds (2006), *.Improving Property Asset Management in the Central Civil Government Estate*.Version 8.0. United Kingdom: University of Leeds.

APPENDIX A

I am a student of PSPTB at level 5. Currently, I am conducting a research on assessment of the effectiveness of disposal of noncurrent asset in TRA. Kindly assist by responding to the below questions in this form and the information provided will be strictly confidential.

Dear respondent,

This questionnaire seeks your views on the topic on assessment of the effectiveness of disposal of noncurrent asset in TRA. **Please put a tick mark (V)** reflecting your response where the question requires you to explain, please write in the space provided for this purpose. To ensure the validity and reliability of data, you are kindly requested to answer the questions as truthfully as possible and according to your independent opinion. You may or may not disclose your name. I ensure you that your answers to the questions will be treated with strict confidence.

Will you please fill this questionnaire correctly so that you can provide me with useful information for this study. Note that the information given is confidential and therefore it will strictly not be released. This questionnaire is designed to explore information about employee on effectiveness of disposal of non-current asset in TRA. It is supposed to be filled by workers

Part I: Socio-demographic characteristics of the participants

1. Sex
2. Age
3. Marital status
5. Job title
6. How long have you worked at this Tanzania Revenue Authority.....
7. What is your level of education?
8. What is the job title?
9. What is your organization.....
10. Have you attained any professional training in procurement.....

11. How do you assess the relevance of procurement training you have obtained to the undertaking of procurement?

- (i) I can't think
- (ii) For related
- (iii) No relevant
- (iv) Relevant
- (v) Very relevant

12. Purchasing and stores departments

What type of noncurrent assets do you have in your instruction

- (i)
- (ii)
- (iii).....
- (iv).....

13. What methods does your institution use in disposal noncurrent assets?

- (i) Returns to the suppliers
- (ii) Selling to dealers and brokers
- (iii) Selling to Employees
- (iv) Dumping them and bumming
- (v) Use within the industry
- (vi) All of the above

14. What does method your Company has apart from the above mentioned?

.....

15. What problem hinder the effectiveness of disposal of noncurrent assets in your institutions

.....

16 .Are there any challenges encountered during dispositions of non-current assets?

- (i) No

(ii) Yes, if yes

explain.....
.....
.....

17. Does your company have any guidelines and regulations to follow while disposition of noncurrent assets

(i) Yes

(ii) No

18. If yes what are those guidelines and regulations

.....

19. What procedures does your institution use to dispose its assets to protect the environment

.....

20. Does your institution realize profit from its obsolete materials by selling to other companies and dealers in the form of spare parts or the whole equipment?

(i) YES

(ii) NO

21. If the answer is YES from the above how do you dispose them at the end of their operation life to realize the profit.....

22. What are methods do you advise the management to dispose its non-current in the most effective way so as to make profit and at the same time conserve the environment.....

.

23. Does your institutions have a policy of selling disposed non-current asset to employee or donating to educational institutions for learning purposes.

(i)Selling to employee

- (i) Yes
- (ii) No
- (iii) Do not know

(ii) Donating to learning institutions

- (i) Yes
- (ii) No
- (iii) Do not know

24. What is the institution policy in disposing of current assets?.....

25. Are policies of disposing asset properly followed at institution in the effective way so as to make profit and at the same time conserve the environment ?.....

Interview schedule

The purpose of this research is to find out the effectiveness of disposal of noncurrent assets the best of your knowledge. Your response will be treated in utmost confidence

- i. What type of non – current assets do you name in your institution?
- ii. What methods does your institution use in disposing non – current assets?
- iii. What problems hinder the effectiveness of disposal of noncurrent assets in your institution?
- iv. Are there any challenges encountered during dispositions of current assets?
- v. If yes what are those guidelines and regulations what procedure does your Institution use to dispose its assets to protects the environment?

- vi. Does your Institution realize profit from its noncurrent assets by selling to other Institution or dealers
- vii. What methods do you advise the management to dispose its noncurrent assets in the most effective way so as to make profit and at the same time causes the environment?
- viii. Does your Institution have a policy of selling disposed capital assets equipments to employee or donating to educational Institutions for reissuing purpose?
- ix. What is the Institutions policy in disposing used in non – current assets
- x. Are the policies of disposing assets properly followed at your rush lion?

Thank you in advance for your cooperation

