



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



PERFORMANCE AUDIT REPORT ON MONITORING AND
SUPERVISION OF PROJECTS IMPLEMENTED THROUGH
FORCE ACCOUNT METHOD IN EDUCATION SECTOR



AS PERFORMED BY
MINISTRY OF FINANCE AND PLANNING, MINISTRY OF EDUCATION SCIENCE AND TECHNOLOGY
AND
PRESIDENT'S OFFICE REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

REPORT OF THE CONTROLLER AND AUDITOR GENERAL
March, 2021

THE UNITED REPUBLIC OF TANZANIA



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PREFACE



Section 28 of the Public Audit Act No. 11 of 2008 authorizes the Controller and Auditor General to carry out Performance Audit (Value for-Money Audit) for the purposes of establishing the economy, efficiency and effectiveness of any expenditure or use of resources in Ministries, Departments and Agencies (MDAs), Local Government Authorities (LGAs), Public Authorities and other Bodies.

I have the honour to submit to Her Excellency, the President of the United Republic of Tanzania, Hon. Samia Suluhu Hassan and through her to Parliament of the United Republic of Tanzania this Performance Audit Report.

The report is on monitoring and supervision of projects implemented through Force Account in the education sector. The audited entities were the Ministry of Finance and Planning (MoFP); Ministry of Education Science and Technology (MoEST); and the President's Office Regional Administration and Local Government (PO-RALG).

The report contains findings of the audit, conclusions and recommendations that focused mainly on procurement and management of building materials; capacitating LGAs on supervision of projects; and monitoring and evaluation of Force Account approach.

MoFP, MoEST and PO-RALG have been given an opportunity to scrutinize the factual contents and comment on the draft report. I wish to acknowledge that the discussions were very useful and constructive.

My Office intends to carry out a follow-up audit at the appropriate time regarding the actions taken by MoFP, MOEST and PO-RALG in relation to the recommendations given in this report.

In completion of the assignment, the Office subjected the report to the critical reviews of Dr. Noel Peter Mrope a senior Lecturer from Mzumbe University; and Eng. Ramadhani Mlinga an Independent Consulting Engineer who came up with useful inputs on improving this report.

This Report has been prepared by Mr. January K. Kinunda-Team Leader and Mr. Staford Kazyoba-Team Member under the supervision and guidance of Mr. Michael Malabeja- Chief External Auditor, Eng. James G.

Pilly - Assistant Auditor General and Mr. Jasper Mero - Deputy Auditor General.

I would like to acknowledge the commitment of my staff and cooperation accorded to my audit team by all the respective Accounting Officers and their staff which has facilitated timely completion of this audit report.



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March, 2021.

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LIST OF ABBREVIATIONS

| | |
|------------------|--|
| AO | Accounting Officer |
| BOQ | Bill of Quantities |
| CC | City Council |
| CRB | Contractors Registration Board |
| DC | District Council |
| ERB | Engineers Registration Board |
| FA | Force Account |
| LGAs | Local Government Authorities |
| MC | Municipal Council |
| MoEST | Ministry of Education Science and Technology |
| MoFP | Ministry of Finance and Planning |
| No | Number |
| PEs | Procuring Entities |
| PO RALG | President's Office, Regional Administration and Local Government |
| PS | Primary School |
| SQAO | School Quality Assurance Office |
| SS | Secondary School |
| TARURA | Tanzania Rural Roads Agency |
| TC | Town Council |
| TTC ¹ | Teachers College |
| TPJ | Tanzania Procurement Journal |
| TZS | Tanzanian Shillings |
| AQRB | Architect and Quantity Surveyors Registration Board |
| DLP | Defects Liability Period |
| DAS | District Administrative Secretary |
| GN | Government Notice |
| PM | Project Manager |
| PMG | Paymaster General |
| WEO | Ward Executive Officer |

¹ Teachers College as far as this report is concerned

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EXECUTIVE SUMMARY

Background to the Audit

The use of Force Account approach for executing public works is not a new thing. It existed before major Public Procurement reforms in Tanzania. Since Financial year 2016/17, Tanzanian Government has put more emphasis on the use of Force Account approach in the construction and rehabilitation of public infrastructure such as schools, hospitals, colleges and public offices.

Ministry of Finance and Planning (MoFP)² was required to monitor and evaluate public procurement system in Tanzania. President's Office Regional Administration and Local Government (PO-RALG) was required to capacitate LGAs to have resources capable to supervise construction projects implemented through Force Account in areas of their jurisdiction.

Specifically, the audit focused on assessing the way procurement and management of building materials was done by Procuring Entities (PEs), capacity of LGAs in supervising projects implemented through FA method. Moreover, it focussed at assessing how MoFP monitors procurement and management of building material under the FA Procurement. Likewise, audit assessed how PO-RALG capacitated LGAs to adequately implement projects through FA Procurement.

Apart from MoFP and PO-RALG, data were also collected from MoEST, sampled schools and colleges. This audit covers the four financial years 2016/17-2019/20.

Main findings

a) There was Questionable Competition for TZS 2,134,305,510

Review of competitive quotations used during execution of projects through FA revealed that, there were quotations that were with at least two similar handwritings; Properly filled but not stamped and signed by

² Public Procurement Act No. 7 of 2011 section 6(2)(i)

the named supplier; and Stamped and signed but not filled in the column of unit rate.

In each visited project, there were doubtful/questionable quotations. In most cases quotations were sent to a targeted supplier to fill in all quotations and other said that, they asked price from each supplier then official filled the quotation form which was then signed and stamped by the Supplier. In other occasions suppliers themselves colluded during mini competition or members of procurement committee colluded with suppliers. The Audit Team found that, this was caused by members of procurement committee especially for projects implemented at secondary schools were not equipped with basic knowledge and values of public procurement.

b) Loss of TZS 100,156,000 due to Abnormal Prices for Procurement of Goods

The Audit Team noted that, some items were bought at higher price as compared to normal market prices and other items were quoted at normal price despite buying in large quantity. Due to ineffective procurement practices, PEs ended up paying more than the market price of the procured item. This was attributed to mismanagement of procurement.

c) Payments of TZS 31,076,070 in Respect of Undelivered Goods

The Audit Team noted that, payments for TZS 31,076,070 were made to suppliers without delivery of the said goods.

d) Loss of TZS 422,303,177 due to High Cost of Labour Charges

The Audit Team noted that, Cost of Labour charge at Tanga Technical SS was 43% of the total project cost. The audit expected to find the labour cost not exceeding 23% of the total project cost as compared to Galanos SS and Usagara SS who incurred labour charge at 23% and 19% respectively. Construction activities at Galanos SS, Usagara SS and Tanga Technical SS were of the same nature and executed by the same kind of labour force in Tanga City Council. As a result, Tanga Technical SS would

have saved TZS 422,303,177 if the labour charge was at 23%. This was attributed to the engineer's estimate that provided the labour charge provision of 40% of material cost in the material schedule.

e) Improper Recording of Stores

Review of Stores Ledger and Issue Vouchers noted that, in 20 out of 22 visited projects, goods received or issued were not all recorded into a ledger. The Audit Team noted that, officials involved in recording stores in the ledger lacked basic knowledge on stores management.

f) No proper Inspection and Acceptance of Goods for TZS 48,759,215

Review of payment vouchers noted that, goods worth TZS 48,759,215 were either not inspected and accepted at all or inspected and accepted by only one-person. Availability of members for inspection and acceptance was sometimes difficult because procurement was done frequently; and some members of inspection and acceptance committee were not from within the entity.

g) Inadequate Time Control

The Audit Team noted that, there was inadequate use of work programmes and delays in completion of projects. Ten (10) out of 22 (equivalent to 46%) of audited projects were not completed on time (i.e., within 3 months); four (4) out of 22 projects equivalent to eighteen 18% were timely completed; and eight (8) projects (equivalent to 36%) were not completed due to shortage of funds.

h) Inadequate Quality Control

The Audit Team noted that, the following quality related problems, material tests were not conducted in 12 out of 17 projects; lack of execution Quality assurance; timbers used were not properly treated. Supervising Engineers were not registered by the Engineers Registration

Board (ERB) and Artisans³ for electrical installation were practicing without being licensed with the relevant regulatory authority (EWURA). Failure to test construction materials was attributed to inadequate preparation of BoQs that did not consider providing item for materials testing.

i) Inadequate Sustainability of Projects

The Audit Team noted that, gas, water and plumbing systems were not functioning even after being rehabilitated; completed and commissioned buildings were not used for intended purpose and existence of early defects after project completion.

j) Inadequate Supervision of Works

The Audit Team noted there was a shortage of qualified personnel capable of supervising construction through Force Account. In May 2019, there were 213 out of 859 qualified personnel (equivalent to 24.8 percent). Although there was a shortage of technical personnel prior to establishment of TARURA, the decision of transferring of 419 out 632 (equivalent to 66.2%) engineers from LGAs and PO-RALG to TARURA increased the problem.

Conclusion

Overall conclusion of this audit is that Force Account (FA) approach has been used extensively in recent years with the aim of solving procurement problems such as reducing costs, delay in completion and unsatisfactory quality of construction projects. However, the FA projects were characterized with questionable competition involving procurement of materials and labour; no price negotiation; improper management of materials; inadequate and incompetent personnel capable to supervise the construction works.

As a result, quality of the implemented projects was questionable; and there was non-completion of some of the projects. This jeopardized the

³ A person or group of people signed contract to execute labour works in implementation of Force Account project

achievement of value for money during implementation of construction projects in education sector.

Recommendations issued to MoFP

MoFP should:

- a) Develop control system that will enhance competition during procurement of building materials in order to achieve economy;
- b) Capacitate entities implementing projects through FA Procurement for effective management of materials;
- c) Liaise with PO-RALG and MoEST to identify construction projects not completed due to shortage of funds and develop strategies for funding them in order to achieve the intended goals;
- d) Direct PPRA to develop and implement strategies for Monitoring and Evaluating implementation of FA Procurement in order to provide corrective measures; this will include evaluating effectiveness in applying the issued Force Account Guideline;
- e) Direct PPRA to develop strategies that will ensure that LGAs are capacitated in terms of offering procurement knowledge, and administration of Force Account-based projects; and
- f) Liaise with other responsible Entities to set project value limits and minimum needed resources or cut off points depending on size, nature, and complexity of projects to be implemented through Force Account approach.

Recommendations to PO-RALG

PO-RALG should:

- a) Develop strategies for ensuring that LGAs are capacitated in terms of offering, procurement knowledge, administration of Force Account-based projects, relevant required personnel, required tools, and funds for supervision of construction projects;

- b) Ensure that each LGA implementing Force Account project has the capacity which is equivalent to class of the construction company according to Contractors Registration Board; that if the project were to require a class four company to implement project of a certain magnitude then the LGA would need to acquire similar qualification to implement project of the same magnitude;
- c) Ensure that LGAs improve the quality control system in order to ensure that procurement process and all the accompanying documentation are thoroughly checked for compliance;
- d) Develop strategies to safeguard assets installed in school buildings to ensure they are used properly in order to avoid destruction and enhance service life;
- e) Capacitate committees responsible for supervision and implementation of construction projects in terms of supervision;
- f) Ensure that the budget for the project implemented under Force Account includes supervision and monitoring cost that and each Bill of Quantity contain this aspect;
- g) Improve coordination between MOEST to ensure that drawings, estimation, and project information are well shared and communicated;
- h) Strengthen its supervision and inspection to the Artisan to ensure that the Artisan is in full compliance with health and safety requirements as stated in the contract documents; and Artisan provide fresh and safe drinking water at the site, toilets for both male and female, First Aids facilities to the Engineer's office in compliance with the requirements of the contract;
- i) Ensure that the financing of buildings or any other school infrastructures should be based one detailed needs assessment to minimize the risks of investing on structures that are not needed; and
- j) Establish a mechanism to retain a certain amount of project funds for correcting defects that may occur, this will ensure that all completed projects meet the minimum required quality.

Recommendations to MOEST

MOEST should:

- a) Ensure that the budget for the project implemented under Force Account includes supervision and monitoring cost that for each Bill of Quantity contain this aspect;
- b) Improve its internal control, planning and budgeting system to ensure proper forecasting of requirements through a conditional survey that, services and works are done to minimize variations during implementation of work program;
- c) Improve quality control systems to ensure that the engaged consultants are well monitored;
- d) Establish a mechanism to retain a certain amount of project funds for correcting defects which may occur, this will ensure that all completed projects meet the minimum required quality;
- e) Develop strategies to safeguard assets installed in college or school buildings to ensure that they are used properly in order to avoid destruction and enhance service life;
- f) Ensure that drawings, estimations, and project information are shared and communicated to the implementer of the project at LGA, college and school;
- g) Ensure that funds allocated for construction or rehabilitation of buildings in LGAs are correlated to the established cost of construction in the respective LGAs; and
- h) Ensure that the financing of buildings or any other school infrastructures should be based on detailed needs Assessment to minimize the risks on investing on structure which are not needed.

CHAPTER ONE

INTRODUCTION

1.1 Background of Force Account Procurement in Tanzania

Regulation 167 (2) of the Public Procurement Regulations, 2013 defines “Force Account” as a construction undertaken by a Procuring Entity itself or use of public or semi-public agencies or departments concerned, where procuring entity or the public or semi-public agency uses its own personnel and equipment or hired labour. Use of Force Account approach for executing public works is not a new thing. It existed before major Public Procurement reforms in Tanzania. Since Financial year 2016/17, Tanzanian Government has put more emphasis on the use of Force Account procurement approach in the construction and rehabilitation of public infrastructure such as schools, hospitals, colleges and public offices.

According to Tanzania Procurement Journal⁴ (TPJ), Force Account is the best approach for undertaking renovation and construction projects to attain optimum value for money. The Government of Tanzania allocated TZS 33 billion in the financial year 2017/18 for renovation and construction of 33 national secondary schools. The same approach was used for rehabilitation and expansion of Teachers Colleges. Moreover, the Government allocated TZS 184.6 Billion for construction of health centres.

1.2 Motivation of the Audit

This Audit was motivated by the following:

- a) Recently, the Government of Tanzania has directed much attention to undertake its social-economic infrastructure projects using Force Account method⁵;

⁴ TPJ, Vol XIII-No-15 of Tuesday 09,2019

⁵ Tekka, R, S (2019): Performance Determinants of Force Account method of Contracting (The Case of public Infrastructure Rehabilitation and Remodelling

- b) Lack of skilled manpower to supervise works carried by Force Account approach in the Local Government Authorities⁶;
- c) Large numbers of construction projects that were constructed through Force Accounts were not reported by Procuring Entities (PEs) to the Public Procurement Regulatory Authority (PPRA). For example, only 39 out of 5,288 (equivalent to 0.74 percent) construction projects in 188 PEs were reported to be implemented through Force Account approach⁷; and
- d) Poor quality of works, inadequate contract management and non-compliance with the provision of public procurement in using Force Account method.

1.3 Design of the Audit

This part presents the main and specific audit objectives, scope, method for data collection and analysis and assessment criteria.

1.3.1 Audit Objective

The Audit objective was to determine whether the Ministry of Finance and Planning (MoFP) and President's Office-Regional Administration and Local Government (PO-RALG) adequately monitor procurement and supervision of projects implemented through Force Account method in the Education Sector.

Specifically, the Audit focussed on assessing whether: -

- a. MoFP effectively monitors procurement and management of procured materials during implementation of Force Account projects;
- b. PO-RALG adequately capacitates LGAs to implement construction projects through Force Account method; and
- c. LGAs efficiently manage procurement of building materials during execution of projects using Force Account approach.

⁶ Mlinga S, R (2018): Tanzania procurement journal 'Matumizi ya Force Accounts na Changamaoto Zake' Vol XI - No - 19.

⁷ PPRA: Annual performance Evaluation Report 2018/19.

Audit and sub audit questions for addressing audit objectives see **Appendix 2.**

1.3.2 Scope of the Audit

The audited entities were MoFP, MoEST and PO-RALG. The audit focused on assessing how procurement and management of building materials were carried out by Procuring Entities (PEs), capacity of LGAs in supervising projects implemented through Force Account (FA) procurement. Besides, assess how MoFP monitors procurement and management of building materials under the FA Procurement. Likewise, the audit assessed how PO-RALG capacitates LGAs to adequately implement projects through FA Procurement. The focus of the audit was on projects implemented in the education sector.

The Audit Team used representative sampling in choosing areas to be visited. The Team selected seven regions randomly, one from each Zone. The selected regions were Morogoro, Tanga, Iringa, Lindi, Simiyu and Tabora. Then, purposive sampling was used to select the respective LGAs. The selected LGAs must have a project from Education sector and all categories of Local Government either City Council (CC), Municipal Council (MC), District Council (DC) or Town Council (TC) included are as shown in **Table 1.1.**

Table 1.1: List of Sampled Projects

| LGA | Zone | Projects | Implementer | Amount in TZS |
|-------------|------------------------|--------------------|-------------|---------------|
| Morogoro MC | Eastern Zone | SQA-Moro MC | MoEST | 152,032,650 |
| | | Mafiga SS | PO-RALG | 209,000,000 |
| | | Morogoro SS | PO-RALG | 1,042,554,532 |
| Tanga CC | Northern Zone | Usagara SS | PO-RALG | 963,501,458 |
| | | Galanos SS | PO-RALG | 969,269,927 |
| | | Tanga Technical SS | MoEST | 2,111,515,885 |
| Iringa MC | Southern Highland Zone | Klerruu TTC | MoEST | 522,409,600 |
| | | Mawelewele SS | PO-RALG | 259,000,000 |
| | | Tegamenda SS | PO-RALG | 259,000,000 |
| Mpwapwa DC | Central Zone | Mazae SS | PO-RALG | 409,000,000 |
| | | Berege SS | PO-RALG | 259,000,000 |

| LGA | Zone | Projects | Implementer | Amount in TZS |
|---------------|---------------|---------------------------------|-------------|----------------|
| | | Mpwapwa TTC | MoEST | 2,819,178,108 |
| Nachingwea DC | Southern Zone | Construction of SQAQ-Nachingwea | MoEST | 152,000,000 |
| | | Nachingwea TTC | MoEST | 1,928,077,257 |
| | | Nachingwea Girls SS | PO-RALG | 216,600,000 |
| Bariadi TC | Lake Zone | Simiyu SS | PO-RALG | 286,600,000 |
| | | Kidinda PS | PO-RALG | 192,000,000 |
| | | Sima B PS | PO-RALG | 192,000,000 |
| | | Bariadi TC SQAQ | MoEST | 152,000,000 |
| Nzega TC | Western Zone | Bulunde SS | PO-RALG | 259,000,000 |
| | | Kitangili SS | PO-RALG | 321,600,000 |
| | | Mwanzoli SS | PO-RALG | 175,000,000 |
| Total | | | | 13,850,339,417 |

Source: Auditors Sample, 2021

The Audit Team covered four financial years (2016/2017 to 2019/20). The selected period enabled the Audit Team to establish a trend of projects implemented through FA Procurement and therefore arrive at reliable conclusions and recommendations related to the findings.

1.4 Methods for Data Collection and Analysis

The Audit Team gathered information to address the audit objective and audit questions. The Audit evidence was triangulated with different sources of information. Data were gathered from MoFP, PO-RALG and selected PEs.

1.4.1 Data Collection

Both qualitative and quantitative data were collected and analysed to provide evidence regarding management of procurement and available capacity for supervision of projects implemented through FA Procurement. Three different methods were used to collect the data which were interviews, review of documents and physical observations.

i. Documents Review

The Audit Team reviewed documents from PO-RALG, MoFP and respective PEs in which projects were implemented so as to identify the risks/impacts and possible causes for observed situation and thereafter be able to gather evidence and come up with clear findings and recommendations. The team wanted to seek evidence of the information that was obtained through interviews and site visit.

Reviewed documents were for the financial year starting from 2016/17 to 2019/20 and included: (1) Performance and progress reports and (2) Monitoring and Evaluation reports. The list of documents reviewed is summarized in **Tables 1.2** and **1.3**.

Table 1.2: List of Documents Reviewed at PO-RALG and MoFP

| S/N | Documents reviewed | Reason(s) |
|-----|--|--|
| 1. | Monitoring Reports | To examine the way MoFP monitors the performance of procurement of materials; and management of materials during the implementation of projects through FA Procurement. |
| 2. | LGAs technical personnel staffing level during implementation of selected projects | To find out whether the capacity that was available during implementation of projects through FA Procurement was proportional with projects that needed to be implemented. |

Source: *Auditors Analysis, 2021*

Table 1.3: List of Documents Reviewed at PEs

| S/N | Document reviewed | Reason(s) |
|-----|----------------------------------|---|
| 1. | Procurement plan | To assess the extent which the PE planned for procurement |
| 2. | Purchase requisition | To examined amount of material purchased |
| 3. | Procurement files | To assess to assess the way procurement decisions were made |
| 4. | Purchase orders | To examine amount and cost of material purchased |
| 5. | Payment Vouchers | To examine material order vs payment. |
| 6. | Issue Vouchers | To examine material issues and necessary approval granted. |
| 7. | Store Ledgers | To examine amount materials received and issued |
| 8. | Material Site ledger | To examine number of materials issued to construction site |
| 9. | Good Received Note | To examine amount of material received |
| 10. | Progress reports | To assess the extent and capacity of technical personnel that were involved in supervision of FA projects |
| 11. | Inspection and Acceptance Report | To assess whether procured materials were subjected to inspection on quantity and Quality as agreed |

Source: *Auditors Analysis, 2021*

ii. Interview

This method was used to seek information and clarification from different officials including Director Government Asset Management, Commissioner of Public Procurement Policy Division at MoFP; and Director of Local Government at PO-RALG. The interviews were also carried out to Heads in all visited PE/areas who were involved in supervision. The list of persons interviewed is summarized in **Table 1.4.**

Table 1.4: List of Persons to be Interviewed and Reason(s)

| S/N | Persons Interviewed | Reason(s) |
|-----|---|--|
| 1. | Director Government Assets Management at MoFP | To know the extent to which MoFP monitors management of materials during the implementation of projects through FA Procurement |
| 2. | Commissioner of Public Procurement Policy Division at MoFP | To know the extent to which MoFP monitor procurement of materials during the implementation of projects through FA approach |
| 3. | Director of Local Government at PO-RALG | To know strategy adopted by PO-RALG to capacitate LGAs during implementation of projects through FA Procurements |
| 4. | Member of Procurement Committees | To know the extent which PMU planned procurement in the implementation of projects through FA Procurement |
| | | To know whether there was process of making requisition when the PE wanted to purchase material, if not why. |
| 5. | Head of PE | To assess the extent which PE performance was affected by its staff involvement in supervision of implemented projects. |
| 6. | Engineer/Responsible Technical personnel in respective LGAs | To know the extent engineers/technical personnel spent time to supervise the implemented projects. |

Source: *Auditors Analysis, 2021*

During the interviews, auditors were guided by an interview guide developed depending on the responsibilities of the officials to be interviewed.

iii. Physical Observations

The Audit Team visited LGAs and PEs where projects were implemented through FA to observe the extent to which procurement and supervision of projects helped to achieve specified quality and value for money in general.

1.4.2 Data Analysis

In this audit various methods were employed in analysing data depending on the nature of data and available evidence.

Quantitative data were organised, summarized and compiled using software for data analysis such as excel spreadsheets. The analysed data were presented by different ways such as table, graphs, charts, and percentage distribution.

Qualitative data were described, compared and related so that they can be extracted and explained in order for the data to be contended, defended, and extended to bring into a finding that were aligned with the audit objective. The analysis involved looking for categories such as events, descriptions, looking for consistencies or differences to develop theory from the gathered data.

1.4 Assessment Criteria

The Audit criteria for audit questions and sub questions were based on the roles played by MoFP and PO-RALG. These roles were as per the Public Procurement Act No.9 of 2011, Public Procurement (Amendment) Act No.5 of 2016; Public Procurement Regulations GN 446 of 2013 and Public Procurement (Amendment) Regulations GN.333 of 2016 as amended from time to time; Public Finance Act 2001; Public Finance Regulations 2004 and; and Public Assets Management Guidelines.

Furthermore, guidelines on procurement of Force Account projects issued by Ministry of Education, Science and Technology (MoEST) and PO-RALG; and PO-RALG Organization structure and function were used as showed hereunder:

Monitoring of Procurement and Material Management

- i. According to section 6(2)(b) of Public Procurement Act No.9 of 2011, MoFP is required to monitor, evaluate, and review public procurement Systems.

- ii. According to section 6(1) of Public Finance Act No. 6 2001, MoFP is responsible to ensure the effective management of public stores.
- iii. According to part 6.4 of Public Asset Management guideline, 2019, MoFP was obliged to formulate and review guidelines and various directives for proper management of assets and also, MoFP was obliged to conduct physical verification of assets in public entities.
- iv. According to part 6(b)(ii) of guideline of FA issued by Ministry of Education Science and Technology, PO RALG was supposed to monitor the implementation of projects implemented through FA in area of their jurisdiction.

Capacitating (LGAs) to implement projects through Force Account (FA) Procurement

- i. According to part 3.2 (i) of Functions and Organization Structure of the President's Office, Regional administration, and Local Government, 2015, PO RALG was required to facilitate and coordinate capacity building plans in manpower development, staffing levels and create an enabling environment for Local Government development and growth;
- ii. Also according to part 3.2 (ii) of Functions and Organization Structure of the President's Office, Regional administration and Local Government, 2015, PO RALG was required to facilitate and enable LGAs to have adequate financial and other resources to ensure effective and efficient service delivery; and
- iii. According to regulation 167(1) of Public Procurement Regulation, 2013, the use of FA may be justifiable if the procuring entity had qualified personnel to carry out and supervise the required works.

Management of Procurement and Supervision of Force Account at LGAs

- i. According to section 4A (3) of Public Procurement (Amendment) Act No.5 of 2016, Procuring Entities were required to achieve the highest standard of equity during execution of procurement by considering equality, fairness and need to obtain value for money for each procurement undertaken.

- ii. According to Regulation 244 and 245 of Public Procurement Regulation of 2013 as amended, require goods delivered to be inspected by inspection and acceptance committee appointed by AO to ensure accepted goods comply with stated condition.
- iii. According to Regulation 191 (2) of Public Finance Regulation, 2011 the task of receiving and checking stores shall be carried out by an officer other than the one who places the orders and authorises payment for the supplies; and
- iv. According to Regulation 176 of Public Finance Regulations 2011 Accounting Officer (AO) was supposed to arrange for the stores with sufficient storage accommodation and storage facilities. Regulation 181 and 183 oblige storekeepers to have physical custody of items in the stores, to keep store in proper conditions and to report any discrepancies. Moreover, Regulation 180 of Public Finance Regulations requires AO to appoint a person who hold keys of storeroom;
- v. According to Regulation 214(1) of Public Finance Regulation of 2011 when an officer needs supplies from store he/she must apply for on a stores requisition which must be signed by AO or officer assigned to do so; and
- vi. According to part 6(c)(ii) of guideline of FA issued by Ministry of Education Science and Technology was supposed LGA to supervise the implementation of projects implemented through Force Account.

1.5 Data Validation Process

The MoFP, MoEST and PO-RALG and visited Entities were given the opportunity to go through the draft report and comment on the figures and presented information. They all confirmed on the accuracy of the figures used and information presented in the report. The information was also cross-checked and discussed with experts in area of public procurement and construction to ensure its validity.

1.6 Standards Used for the Audit

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) issued by the International

Organization of Supreme Audit Institutions (INTOSAI). Those standards require that the audit be planned and performed in order to obtain sufficient and appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objective.

1.7 Structure of the Audit Report

The remaining part of the report covers the following:

- Chapter Two presents the systems, processes and relationships among key stakeholders who have a duty to Monitor and Supervise under projects through FA Procurement;
- Chapter Three presents audit findings relating to performance of selected Procuring Entities
- Chapter Four presents the audit findings noted by audit in regard to the monitoring FA by Ministry Finance (MoFP); and
- Chapter Five presents audit conclusions; and Chapter six outlines recommendations which can be implemented to ensure proper implementation of projects through FA approach in Tanzania.

CHAPTER TWO

SYSTEM DESCRIPTION FOR MONITORING AND SUPERVISING OF PROJECTS IMPLEMENTED USING FORCE ACCOUNT PROCUREMENT IN THE EDUCATION SECTOR

2.1 Introduction

This chapter provides information regarding legal framework, key actors and existing system for implementation of Projects through FA in the Education Sector.

2.2 Public Procurement Policies and Legal Framework

Currently, there is no public procurement policy to govern public procurement in Tanzania. It is currently governed by Public Procurement Act No.12 of 2011, Public Procurement (Amendment) Act no.5 of 2016, Public Procurement Regulation GN.446 of 2013 and Public Procurement (Amendment) Regulation GN.333 of 2016. Besides, there are guidelines issued by Ministry of Education Science and Technology (MoEST), President Office Regional Administration and Local Government Authority (PO RALG) and Public Procurement Regulatory Authority (PPRA) which governs procurement undertaken through FA Procurement as summarised in **Table 2.1**.

Table 2.1 Legal Framework of Force Account Procurement in Tanzania

| S/N | Name of the Legal frameworks | Description |
|-----|--|---|
| 1 | Public Procurement Act No.7 of 2011 as amended | It Provides meaning of FA and when it is applicable. It has empowered Accounting Officer to have overall responsibility for execution of procurement process. |
| 2 | Public Procurement Regulation GN 446 of 2013 as amended | |
| 3 | Public Finance Regulation 2004 | It highlights how materials are managed |
| 6 | Guideline of force account issued by MoEST November,2017 | It Provides how FA Procurement to be executed for projects implemented at education sector. |

| S/N | Name of the Legal frameworks | Description |
|-----|---|--|
| 7 | Guideline of force account issued by PPRA May, 2020 | Provide how FA Procurement to be executed for project implemented and replacing other guidelines issued. |
| 8 | Public Asset Management Guideline, 2019 | It provides how public asset are managed |

Source: Audit Analysis, 2020

For the case of this audit, FA Guideline issued by PPRA in May, 2020 was not used because it was out of the audit scope. The audit focused on guideline issued by MoEST and PO RALG.

According to Section 64(2) of Public Procurement (Amendment) Regulation (GN.333) of 2016 defines Force Account as a process whereby works were carried out by a public or semi-public departments or agencies by using its personnel and equipment or in collaboration with any other public or private entity. For this case, construction was governed by the following Legal Framework.

2.3 Role and Responsibility of Key Stakeholders involved in Project Implementation through FA Procurement

2.3.1 Internal Actors

These are actors within the procuring entities directly involved in planning and implementation of procurement as described below:

a) Head of Entities

Those were College Principals/Headmasters or Headmistress with overall responsibility of funding and management of construction works during implementation of projects under FA Procurement. Head of Entities were referred as Accounting Officers (AO).

b) Force Account Committees

According to guidelines, AO was required to form three committees to facilitate the implementation of projects. These committees were:

i) Construction Committee

Members of this committee were supposed to include one of the three professionals: Engineer, Quantity Surveyor or Architect. This committee was responsible for supervising implementation of construction activities from initial stage to contract closure.

ii) Procurement Committee

Members of committee include procurement officer. This committee was responsible for execution of procurement activities. It carries out procurement of labour, materials and other services needed such as transport services.

iii) Inspection and Receiving Committee

This committee was required to ensure items delivered were consistent with contractual agreement in terms of quality and quantity.

2.3.2 External Actors

a) Ministry of Finance and Planning (MoFP)

Ministry was responsible for budget allocation and funds disbursement. There was no Force Account approach without funds or commitment for paying direct labour, suppliers and service providers.

b) Public Procurement Policy Division (PPPD)

This Division was within the Ministry of Finance and Planning, and is designated to develop, review, evaluate and oversee the implementation public Procurement Policies, act, regulations, circulars, and other directives relating to public procurement. Moreover, PPPD is obliged to monitor, evaluate, and review public procurement system as well as public procurement institutions.

c) Department of Government Asset Management (GAMD)

This Division was found within the Ministry of Finance and Planning designated to advise Paymaster General (PMG) on formulation and review of guidelines and various directives on proper management of assets; conduct physical verification of assets in public entities; facilitate and coordinate training on public assets management; and monitor compliance of Public Finance Acts in regard to Material Management.

d) President Office Regional Administration and Local Government (PO RALG) and Sector Ministries

PO RALG was the main external actor involved in planning and implementation of projects through FA Procurement under scope of audit. The guidelines of Force Account issued by PO RALG and MoEST, the ministry obliged to advise, monitor and supervising implementation of projects, enforce the implementation of Force Account guideline and take appropriate action wherever necessary. PO RALG in collaboration with Ministry of Finance and Planning and other sector ministry like Ministry of Education Science and Technology (MoEST) were obliged to monitor the implementation of projects through FA Procurement.

2.4 Procurement Approval Procedures through FA Procurement

Like any other procurement, procurement through Force Account needs to be approved by relevant organs as shown on **Table 2.2**

Table 2.2: Approvals through FA Procurement

| S/N | Activity | Approving Authority |
|-----|---------------------------------|---|
| 1 | Approval of needs identified | Head of user department or section |
| 2 | Approval of specifications | Head of user department or section or technical personnel of item requested |
| 3 | Approval of procurement process | Accounting Officer |
| 4 | Approval of procurement methods | Tender board |
| 5 | Approval of evaluation report | Tender board |

| S/N | Activity | Approving Authority |
|-----|--|--|
| 6 | Tender awards | Tender board |
| 7 | Contract Signing | Accounting Officer and Supplier or Artisan |
| 8 | Approval of variation with no budgetary change | Procurement and Construction Committees |

Source: Auditor analysis of guideline of Force Account MoEST, 2020

2.5 Recommended Procurement Method through FA Procurement

Implementation of Force Account approach is implemented in line with other procurement methods as shown hereunder:

- a) National or International Shopping (Quotations) As Per Regulation 163 Of Public Procurement Regulation (PPR), 2013;
- b) Single Source Procurement (Single Source for Goods/Direct Contract for Works) As Per Regulation 159 and 161 of PPR, 2013;
- c) Mini Competition as Per Regulation 42 (B) of Public Procurement (Amendment) Regulation, 2016;
- d) Micro Value Procurement Per Regulation 166 of PPR,2013;
- e) Community Participation Per Regulation 168 f PPR, 2013; and
- f) Direct from Manufacturer Per Regulation 51 f PPR, 2016.

2.6 Procurement Process through FA

The process for implementing projects through FA starts from planning to actual execution of procurement. The three committees involved in implementation of projects through FA are presented in section 2.3.1(g). These Committees were guided by LGA's technical personnel or consultants during procurement of materials. The process of procurement of materials through FA is detailed in **Figure 2.1**.



Figure 2.1: Procurement Process through FA Procurement

Source: Analysis Public Procurement Act, Regulations and Guidelines for using Force Account, 2021

2.7 Management of Material

Management of materials involves all activities from when materials are offloaded from vehicles to delivery point or store at site; and when are issued. It also, involves follow up on utilization of materials for the intended works. The process of materials management is as indicated in **Figure 2.2.**

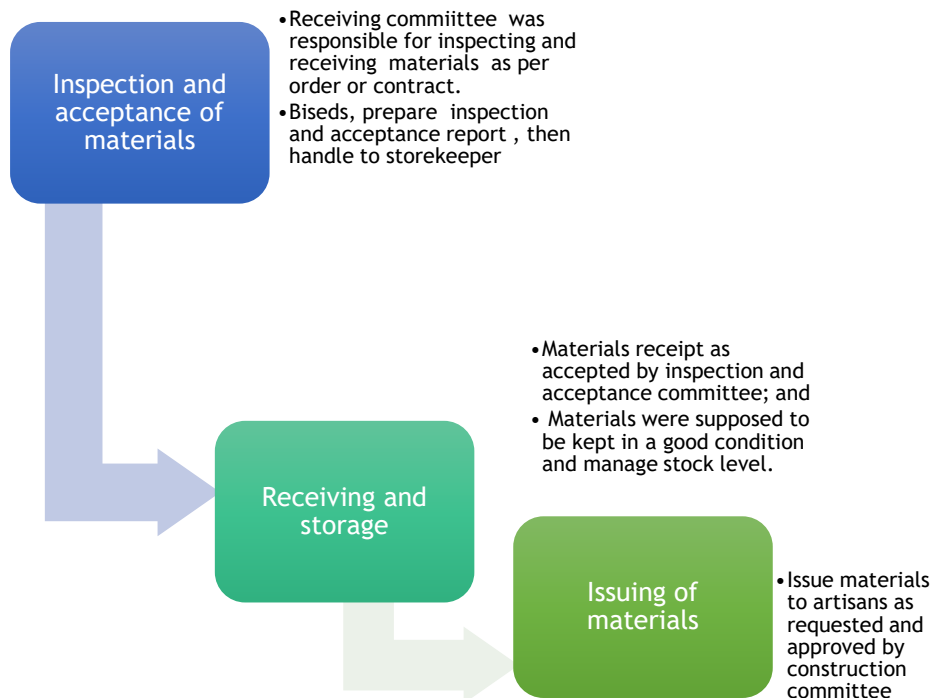


Figure 2.2: Management of Material through FA Procurement
 Source: *Analysis Public Procurement and Public Finance Act, and Regulations, 2021*

2.8 Supervision of Works Contract

Supervision at site

The supervision involved various stakeholders such as the Local Government Authority (LGA), Procuring Entities (PEs) such as schools and colleges and Local Government's Engineers to supervise by specifically doing the following:

Local Government Authority (LGA)

The LGA has the following responsibilities in implementing projects through the FA Procurement:

- i. Identifying realistic project needs
- ii. Monitoring and supervising project implementation
- iii. Giving advice regarding project implementation;

- iv. Supervising implementation of construction and rehabilitation guideline for projects implementation through FA;
- v. Taking appropriate measures whenever shortfalls regarding project implementation were noted
- vi. Ensuring that issued funds were utilised according to Government laws, regulations, procedures and guidelines
- vii. Preparing Progress reports regarding construction and rehabilitation at every two weeks interval and submit them to the PO-RALG and copy the MoEST.

Procuring Entities (PEs)

The responsibilities of the PEs in implementing projects through the FA Procurement include:

- i. Receiving funds for project implementation;
- ii. Acknowledging receipt of funds by letter writing, keeping receipt, and copying the MoEST
- iii. Ensuring that construction and rehabilitation of works were completed timely
- iv. Ensuring that construction and rehabilitation works implemented reflect value for money
- v. Ensuring that construction and rehabilitation works were implemented according to Government laws, regulations, procedures, and guidelines
- vi. Ensuring that funds are utilised according to Government laws, regulations, procedures, and guidelines
- vii. Ensuring that received funds are utilised for intended objectives
- viii. Ensuring that all documents in regard to construction and rehabilitation projects are kept
- ix. Protecting public interest throughout the construction and rehabilitation of the projects
- x. Allowing participation of surrounding society in the construction and rehabilitation works
- xi. Ensuring that technical personnel available in the society surrounding project for example “artisan” and “labourer” were used to construct the works; and

Local Government's Engineer

The responsibilities of Local Government's Engineer in the implementation of construction and rehabilitation works using FA Procurement were:

- i. Ensuring that construction or rehabilitation standards were according to conditions of contract;
- ii. Ensuring construction or rehabilitation of works is in accordance with the specifications; and
- iii. Attending and participating in the works progress evaluation meetings (site meetings).

2.9 Process for Implementation of Force Account

Process for implementing projects through FA starts by planning, procurement of construction materials and labour contracting, execution of works, completion and closure as detailed in Figure 2.3 below:

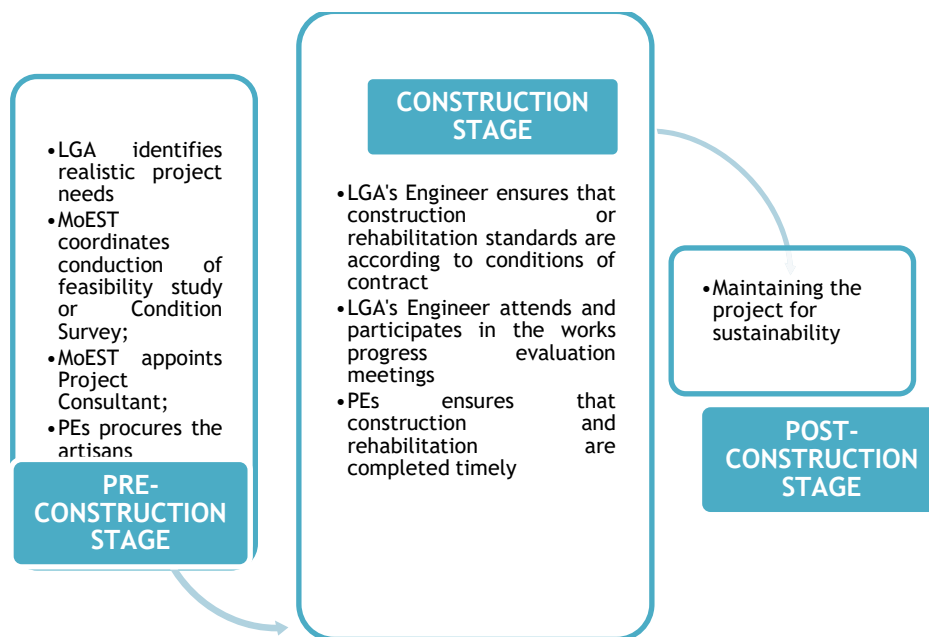


Figure 2.3: Process for Implementation of Force Account Procurement Approach

Source: Analysis Guideline for Construction through Force Account, 2021

Pre-Construction Stage

The Ministry responsible for Education sector was needed to receive needs or requirements of facilities to be constructed, rehabilitated or renovated from Procuring Entity. Where necessary they had to appoint project consultant and coordinate the conduct of feasibility study or condition survey. They sent fund for implementation, issued Drawings, BOQ in some of the projects, and guideline for the Implementation of the proposed projects. LGAs through their engineers had to prepare realistic needs through engineer's estimates.

Construction Stage

This stage involves all control activities carried out to ensure that the works done by artisans during execution of works contract were in accordance with the terms and conditions of contract. The controls were supposed to be in place to ensure Health and safety; environment; cost; quality; and time controls are managed. The management of works contract is as indicated in **Figure 2.4**.

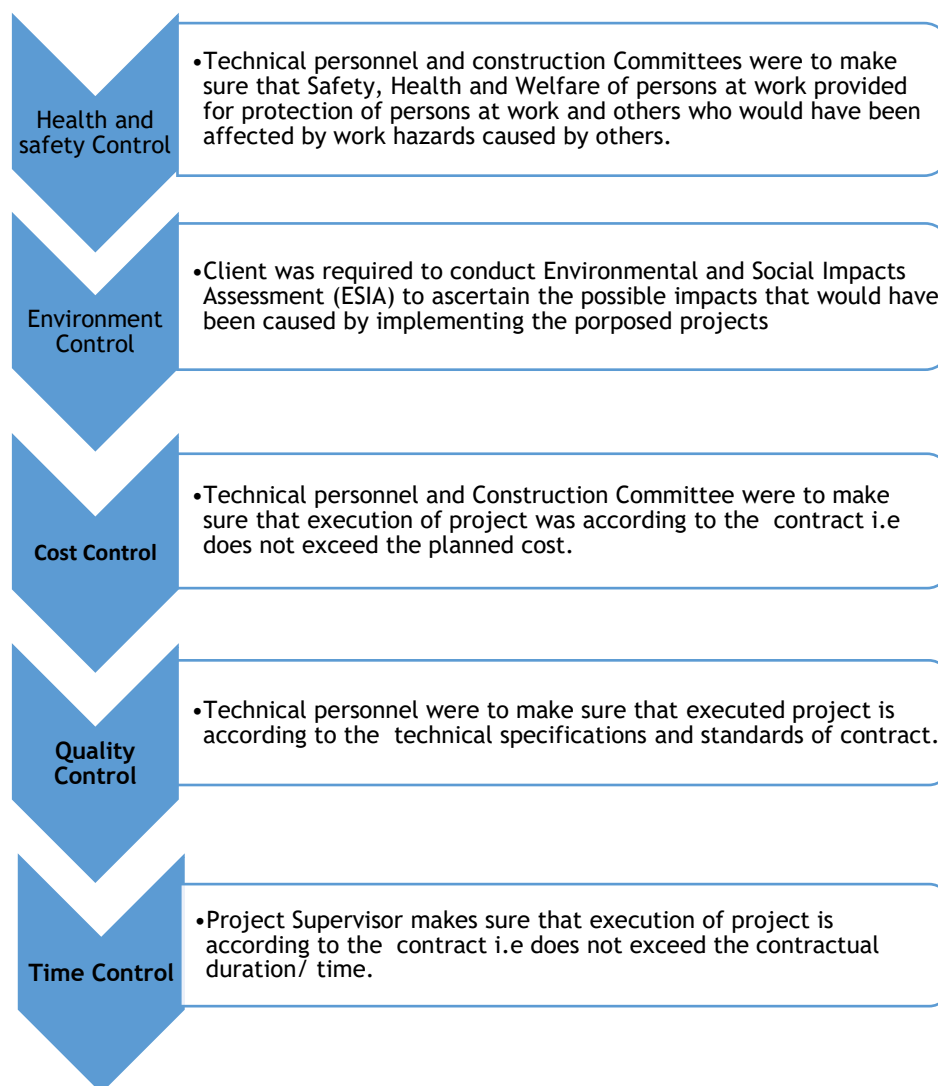


Figure 2.4: Management of Works Contract through FA Procurement

Source: *Analysis of Public Procurement Act, Occupational Safety and Health Act and Environmental Management Act, 2021*

Figure 2.4 highlights contract management generally whose key parameters during construction are as explained below:

a) Safety and Health Matters

The Contractor was required at all times to take all reasonable precautions to maintain the health and safety of his personnel by:

- i. Ensuring first aid facilities were available at all times at the site and that Suitable arrangements were made for all necessary welfare and hygiene requirements and for the prevention of epidemics.
- ii. Notification of any accident as soon as practicable after its occurrence.
- iii. Reporting issues concerning health, safety, and welfare of persons, and damage to the property.
- iv. Conducting HIV-Aids awareness programmes and other such measures as specified in the SCC to reduce the risk of transfer.

b) Environmental and Social Impact Matters

This aspect requires client to conduct Environmental and Social Impacts Assessment (ESIA) to ascertain the possible impacts that may be caused in implementing the proposed project and make commitment by preparing and implementing Environmental and Social Impacts Management Plan (ESIMP) as means for mitigating them.

c) Cost and Payment Procedures

The Supervising Engineer and the Construction Committee were responsible to manage the cost of the project by ensuring that the project is completed within planned contract amount. This was done by following procedures on control of cost stipulated in dealing with changes in the Quantities, variations, Payments for Variations, Cash Flow Forecasts, Payment Certificates, Taxes and Retention.

d) Payment to Suppliers and Artisan

Payment to Suppliers and Artisan was made after confirmation of delivery and work executed is as per agreement stipulated in purchase order or contract.

e) Time Control

Supervising Engineer and Construction committee together with the client was their responsibility to supervise so as to ensure that time in a construction project⁸ does not exceed the planned completion time. This was done by using tools such as works Program, requests for extension of time; management meetings; and early warnings.

f) Quality / Specifications or Requirements

The Supervising Engineer and the Construction Committee were responsible to supervise so as to ensure that the quality of the constructed works achieve the set specifications and standards.

Completion and Closure Stage

Upon completion of construction projects, inspection of executed works and acceptance was to be carried out by both LGAs and school or college governing Committees. The inspection and acceptance activities include; inspection and identification of snags after Defect Liability Period (DLP) for completed works, prepare and issue completion certificates as per agreement and release retained amount as stated in the agreement. The procedure is follows:

- The Artisan was to request the Supervising Engineer to issue a certificate of Completion of the Works, and the PM decides that the work is completed;
- The Employer or PE takes over the Site and the Works within seven days of the Supervising Engineer issuing a Certificate of Completion;
- The Artisan supplies the Supervising Engineer with a detailed account of the total amount he considers it payable under the Contract before the end of the DLP and
- The Supervising Engineer issues a Defects Liability Certificate and certifies any final payment that is due to the Artisan.

⁸ PPRA General Condition of Contract

Post-Construction Stage

This stage involves PEs supervision to ensure the completed works remains in good condition under the utilization of users and there is sustainability.

CHAPTER THREE

FINDINGS ON IMPLEMENTATION OF PROJECTS THROUGH FORCE ACCOUNT APPROACH

3.1 Introduction

This chapter presents findings regarding execution of projects sampled for audit in the education sector. It covers procurement of materials, management of materials and supervision during execution of project through Force Account procurement approach.

3.2 Procurement of Building Materials

The audit examined, if procurement of materials during implementation of projects was well managed in line with requirements of the public procurement law. The audit found weaknesses related to lack of planning; inadequate competition; PEs not using TANePS; ignoring negotiations with suppliers; high prices of materials; and payments of undelivered good. The details are given in subsequent sections.

3.2.1. There was Lack of Plan for Procurement of Materials

Section 49 of PPA,2011 as amended require PEs to prepare plan for procurement to avoid emergency procurement and aggregate its requirement where possible in order to get value for money and reduce procurement costs. The Audit Team found that, one (1) out of 23 (equivalent to 4%) of the visited projects prepared a plan for procurement of materials needed in construction (refer **Table 3.1**).

Table 3.1: Plans for Procurement of Labour and Materials

| Projects | Plan for Procurement | |
|--|----------------------|-------------|
| | Labour | Materials |
| Construction of SQAQ-Moro MC | V | X |
| Mafiga SS | V | X |
| Morogoro SS | V | X |
| Usagara SS | V | X |
| Galanos SS | V | X |
| Tanga Technical SS | V | X |
| Klerruu TTC | V | X |
| Mawelewele SS | V | X |
| Tegamenda SS | V | X |
| Mazae SS | V | X |
| Berege SS | V | X |
| Mpwapwa TTC | V | X |
| Construction of SQAQ- at Nachingwea DC | V | X |
| Nachingwea TTC | V | X |
| Nachingwea Girls SS | V | X |
| Simiyu SS | V | X |
| Kidinda PS | V | X |
| Sima B PS | V | X |
| Construction of SQAQ- at Bariadi TC | V | V |
| Rwanzoli SS | V | X |
| Bulunde SS | V | X |
| Kitangili SS | V | X |
| Summary | V=23 | V=1; &X=22; |

Source: Auditor analysis of plan for procurement, 2021

Note: V- planned and X-Not Planned

Table 3.1 indicates that, PEs responded positively for planning on procurement of artisans and ignored materials. The remaining 22 (equivalent to 96 percent) did not plan for procurement of materials. Procurement plan was prepared for a project of construction of School Quality Assurance Office (SQAQ) at Bariadi TC. However, the procurement plan was not well prepared as each item in the bill of

quantities (BOQ) was planned separately, contrary to Regulation 72 (1) which emphasizes on aggregation of quantities of goods of a broadly similar or related nature to reduce costs of procurement.

According to interviews, PEs were not adequately capacitated on the preparation of procurement plan. The focus was to start and complete the projects within the scheduled period. This was contrary to a circular issued for implementing the said projects which required procurement plan to be prepared.

Furthermore, based on interviews with officials from Nachingwea, Mpwapa and Klerruu Teachers Colleges, it was not possible to plan for procurement of materials because PEs were not aware of the quantities of materials required for construction. This was because the consultant did not disclose to the PEs the approved bill of quantities for confidentiality reasons as directed by MoEST.

Auditor noted that, Lack of awareness of employer and consultant on the essence of procurement plan contributed to non-preparation of procurement plan. Because of this, materials were brought as and when required.

This affected the management of purchase of materials. As a result, procurement activities were undertaken on adhoc basis and caused procurement of items to be done repetitively (refer **Table 3.2**).

Table 3.2: Frequency of Procurement of Same Items during Construction /Rehabilitation of buildings

| Project Location | Institution/PE | Frequency of Purchasing same item |
|------------------|--------------------|-----------------------------------|
| Morogoro MC | SQAO-Moro MC | 5 |
| | Mafiga SS | 11 |
| | Morogoro SS | 16 |
| Tanga CC | Usagara SS | 13 |
| | Galanos SS | 10 |
| | Tanga Technical SS | 19 |
| Iringa MC | klerruu TTC | 7 |

| Project Location | Institution/PE | Frequency of Purchasing same item |
|------------------|---------------------|-----------------------------------|
| | Mawelewele SS | 6 |
| | Tegamenda SS | 8 |
| Nachingwea | Nachingwea Girls SS | 7 |
| Bariadi TC | Simiyu SS | 6 |
| | Sima B PS | 12 |
| | SQAO- at Bariadi TC | 7 |
| Nzega TC | Mwanzoli SS | 15 |
| | Bulunde | 10 |
| | Kitangili | 13 |
| Mpwapwa DC | Mpwapwa TTC | 12 |
| | Mazae SS | 17 |
| | Berege SS | 10 |

Source: *Store ledgers and purchase orders for financial year 2017/17-2019/20.*

Table 3.2 indicates that, 19 projects had frequent purchases of the same items. Each item was bought at least 6 times. Further analysis revealed that in 9 construction or rehabilitation projects, same item was procured more than 10 times. As a result, PEs did not benefit with discounts associated with bulk purchase of materials. Besides, it was time consuming and costly to process quotations every time when procuring materials.

3.2.2. There was Questionable Competition for TZS 2,134,305,510

Regulation 85 (1) of Public Procurement Regulations (GN 446) of 2013 prohibits a person to do any act which falsifies or mislead any tender. Review of competitive quotations used during execution of projects through FA Procurement revealed that, there were quotations that were with:

- At least two similar handwritings;
- Properly filled but not stamped and signed by the named supplier; and
- Stamped and signed but not filled in column of unit rate.

In total, transactions with questionable competitions amounted to TZS 2,134,305,510 as presented in Table 3.3.

Table 3.3: Identified Indicators of Unauthenticity of the Reviewed Vouchers & Quotations

| | Institution/ Procuring Entity | Identified indicator of unauthentic of the reviewed vouchers & Quotations | | | Total (TZS) |
|----|-------------------------------------|---|--|--|-------------|
| | | At least two Quotations with similar handwriting | Properly filled but not Stamped | Stamped and Signed but not filled in Column of Price | |
| 1 | SQAO-Moro MC | v | v | v | 17,029,289 |
| 2 | Mafiga SS | v | x | x | 19,150,123 |
| 3 | Morogoro SS | v | x | x | 103,389,338 |
| 4 | Usagara SS | v | x | x | 139,275,048 |
| 5 | Galanos SS | v | x | x | 164,719,945 |
| 6 | Tanga Technical SS | v | x | x | 132,536,608 |
| 7 | Klerruu TTC | v | x | x | 40,447,657 |
| 8 | Mawelewele SS | v | x | x | 28,569,062 |
| 9 | Tegamenda SS | v | x | x | 23,944,700 |
| 10 | SQAO-at Nachingwea DC | v | x | x | 19,411,000 |
| 11 | Nachingwea TTC | v | x | x | 132,245,912 |
| 12 | Nachingwea Girls SS | v | x | x | 28,106,800 |
| 13 | SIMA B PS | v | x | x | 34,012,199 |
| 14 | SQAO-Bariadi TC | v | x | x | 14,547,500 |

| | Institution/ Procuring Entity | Identified indicator of unauthentic of the reviewed vouchers & Quotations | | | Total (TZS) |
|----|-------------------------------------|---|--|--|----------------------|
| | | At least two Quotations with similar handwriting | Properly filled but not Stamped | Stamped and Signed but not filled in Column of Price | |
| 15 | Simiyu SS | v | x | x | 66,002,070 |
| 16 | Mwanzoli SS | v | x | x | 110,635,400 |
| 17 | Bulunde SS | v | x | x | 80,082,500 |
| 18 | Kitangili SS | v | x | x | 47,059,000 |
| 19 | Mazae SS | v | x | x | 42,872,714 |
| 20 | Berege SS | v | x | x | 14,627,806 |
| 21 | Mpwapwa TTC | v | x | x | 875,640,839 |
| | Total | | | | 2,134,305,510 |

Source: Auditor analysis of payment vouchers & Quotations, 2021

Table 3.3 shows that, in each visited project, there were doubtful/questionable quotations. Based on interviews, it was noted that, request for quotations were sent to each invited supplier separately. In most cases request for quotations was sent to targeted supplier who was asked to fill in all the quotations and other said that, they asked price of each supplier then an official filled the quotation forms and then supplier was asked to sign and stamp the filled form.

The observed questionable quotations presented **Table 3.3** suggests that, either suppliers themselves colluded during mini competition or members of procurement committee colluded with suppliers. The audit team interviewed member of procurement committee to find out if they had received any training on basics procurement management, it was found that, member of procurement committee especially for projects implemented at secondary school were not equipped with basic knowledge and values of public procurement. As a result, the committee were not able to identify the cartel scheme which was behind the

suppliers and other did not see it as problem. As a result, this hindered fair competition and assurance that prices quoted were genuine and the awarded supplier was the lowest evaluated bidder.

3.2.3. There was no Entity that used TANEPS during Implementation of Projects through Force Account

Public notice issued by Public Procurement Regulatory Authority (PPRA) stated that, Tanzania National e-Procurement System (TANEPS) was effectively officially launched on 1st July 2019 whereby all entities were required to undertake procurement through the system. In addition, Paymaster General issued circular on December 2019 emphasis that, without TANEPS no procurement should be done.

However, in all visited projects there was no entity that used TANEPS during the procurement of materials. Interviews with official at visited schools, it was noted that, PE officials were not capacitated to use TANEPS. Officials trained were PMU staff while officers responsible for managing projects were not. One of the reasons for this was because, the guideline for Force Account did not emphasis on the use of TANEPS during implementing projects through Force Accounts. As a result, procurement management was ineffective, for example presence of doubtful or questionable quotations which could have been solved in case TANEPS were used to all public entities with regardless of size and location.

3.2.4. PEs did not Negotiate with Suppliers

Regulation 72(a) of Public Procurement (amendment) Regulations 2016 highlighted that negotiations may be undertaken with the lowest evaluated tenderer relating to payment arrangement, delivery schedule and price reduction. In reviewing of procurement files, the audit team noted that, in all visited construction projects price negotiations was carried out during the process of procurement of Artisans. However, no PE provided evidence that, negotiation with suppliers or service providers was done.

Based on interview with officials involved in procurement it was noted that, formal negotiations were not undertaken because, prices offered by bidders were within the market price. However, review of purchase orders noted that market prices quoted were for purchase of the single items and not for bulk items. In normal practice, when procuring one (1) door price per unit cannot be same as when procuring 250 doors.

3.2.5. Procurement from Manufacturer or Dealer not properly done

Regulation 51 of Public Procurement (Amendment) Regulation of 2016 requires when there was more than one manufacturer, PEs to seek quotations from at least three suppliers and evaluate all received quotations; and where necessary negotiate to achieve value for money for items procured.

According to reviewed purchase orders, cement, timber, and iron sheets were mostly procured directly from manufacturer or dealer. Further review of procurement files, the procurement process for items procured directly from manufacturer indicated that, there was no competition in all the visited projects. The PEs directly contacted the targeted manufacturer without inviting other manufacturers.

Interviews with officials involved in procurement for visited projects revealed that, construction, or rehabilitation projects through Force Accounts were required to be completed and ready for use within a period of three (3) months and for Mpwapwa TTC it was supposed to be completed within 30 days. Based on interview with those involved in managing the schools project, the time given of 30 days was not realistic, given the fact that supervision of construction of project was not their primary activities, and this came hand in hand with teaching assignment.

As a result, the construction was done at a high pressure to meet the set deadline. All PEs highlighted that, availability of materials was the key priority since projects were implemented throughout the country and this created high demand of building materials. Failure to seek quotations from other manufacturers or dealers provided possibility of being overcharged.

3.2.6. Abnormal Prices for Procurement of Goods

Section 4A (3) of Public Procurement (Amendment) Act No.5 of 2016, require PEs to strive to achieve the highest standard of equity during execution of procurement by taking into equality, fairness and need to obtain value for money in terms of price, quality and delivery with stipulated specifications and criteria.

The audit noted that, some items were bought at higher price as compared to normal market prices and other items were quoted at normal price despite buying in large quantity as presented in **Table 3.4**. Interview with officials involved in procurement showed that, officials only relied on price quoted by suppliers without undertaking market survey.

Table 3.4: Deviation between Market and Traded Price

| Entity | Items | Qty | Reference Price | Market Price in TZS | Traded Price in TZS | Loss in TZS "000" |
|----------------|---------------------------------|------|-----------------|---------------------|---------------------|-------------------|
| Nachingwea TTC | Door Shutters (Pcs) | 350 | SAQO-Nachingwea | 250,000 | 400,000 | 52,500 |
| Usagara SS | Blocks (Pcs) 6 inches | 2000 | Mafiga SS | 1,200 | 1,600 | 800 |
| Galanos SS | Blocks (Pcs) 6 inches | 1500 | Mafiga SS | 1,200 | 1,600 | 600 |
| SQAO-Morogoro | Blocks (Pcs) 6 inches | 4500 | Mafiga SS | 1,200 | 1,400 | 900 |
| Mpwapwa TTC | Tube lights FT 4 complete (Pcs) | 680 | Berege SS | 18,000 | 29,000 | 7,480 |

| Entity | Items | Qty | Reference Price | Market Price in TZS | Traded Price in TZS | Loss in TZS "000" |
|--------------------|------------------------|------|----------------------|---------------------|---------------------|-------------------|
| | Gypsum Powder (Bags) | 110 | Mazae SS | 17,500 | 20,000 | 275 |
| | | 70 | Mazae SS | 17,500 | 22,000 | 315 |
| | | 200 | Mazae SS | 17,500 | 24,500 | 1,400 |
| | Twin wire 1.5 (Rolls) | 47 | Mazae SS | 130,000 | 180,000 | 2,350 |
| | Twin wire 2.5 (Rolls) | 52 | Berege SS | 180,000 | 220,000 | 2,080 |
| | Gypsum Board (Pcs) | 2820 | Mazae ss | 17,500 | 24,500 | 19,740 |
| | Mikandaya Gypsum (Pcs) | 1305 | Berege SS | 5,000 | 8,000 | 3,915 |
| | Earth electrode (Pcs) | 44 | Berege & Mwanzoli SS | 50,000 | 175,000 | 5,500 |
| Klerruu TTC | Timber 2x2x12 | 102 | Klerruu | 3,500 | 6,500 | 306 |
| Tanga Technical SS | Terrazzo (Trip) | 3 | Morogoro SS | 875,000 | 1,540,000 | 1,995 |
| Total | | | | | | 100,156 |

Source: Auditor analysis of payment Voucher and Quotations 2021

Table 3.4 Shows that, TZS 100,156,000 could be saved if price quoted related with market prices. It indicated that, in six (6) rehabilitation projects out of seven (7) projects building materials were purchased at high prices. This was attributed to mismanagement of procurement as presented from section 3.2.2 to 3.2.6.

3.2.7. Payments of Undelivered Goods

Audit reviewed if payments were done to suppliers in line with delivered goods. Audit noted that TZS 31,076,070 were paid to suppliers without delivery of the said goods as shown in Table 3.5.

Table 3.5: Payments of Undelivered Goods

| Projects | Payment Voucher/Supplier (Items) | Items | Qty delivered | Qty Paid | Unit Price TZS | Overpaid Amount TZS "000" |
|--------------------|----------------------------------|--------------------|---------------|---------------|----------------|---------------------------|
| Morogoro SS | 2019-000445 | Cement | 1120 | 2000 | 14,070 | 12,381.6 |
| | 2020-000410 | Polish for Terrazo | 0 | 10 | 300,000 | 000 |
| Usagara SS | 2020-000245 | Fire detector | 6 | 30 | 50,000 | 1,200 |
| Simiyu SS | Salome Masasila | Stone | 45 | 50 | 70,000 | 350 |
| | Richard Samson Lukuba | Aggregates | 0 | 30 | 170000 | 5,100 |
| | Hamka Ludelemla Nyanda | Stone | 51 | 55 | 70,000 | 280 |
| | Robert Lweyo Mgata | Various Items | 0 | Various Items | | 7,596.47 |
| | Robert Lweyo Mgata | Sand | 0 | 5 | 50,000 | 250 |
| Nachingwea TTC | 6/5 | Wall tiles 250*400 | 132 | 200 | 13,500 | 918 |
| Grand Total | | | | | | 31,076.07 |

Source: Auditor analysis of payment Voucher & store ledgers, 2021

Payment of undelivered goods was predominant at Morogoro Secondary School (SS) where TZS 15,381,000 was paid. Officials at Morogoro were not able to confirm the delivery of the procured cement and polish for terrazo. The audit noted that, there was no problem with record keeping for items received and issued since the audited store ledgers were

properly managed. In addition, interviews with officials at Morogoro SS showed that, for the cement supplier delayed the supply of cement and was ordered to deliver other materials for the same value. No evidence for such delivery of alternative goods was presented for audit verification.

Furthermore, payment for undelivered goods was also, predominant at Simiyu SS where TZS 13,576,470 was paid. Officials interviewed at Simiyu SS indicated that, payment was made for suppliers who supplied in a previous project. However, the provided documents showed that payment was for items in the current project not for previous construction projects.

3.3 Management of Building Materials

The audit examined, if procured building materials were well managed during construction in line with Public Finance Act requirements and noted the following:

3.3.1. No proper Inspection and Acceptance of Goods

Regulation 244 (1) of Public Procurement Regulations, requires goods delivery to be inspected and not be accepted if are below prescribed standards. Review of payment vouchers noted that, goods worth to TZS 48,759,215 were either not inspected and accepted, or were inspected and accepted by only one-person as presented in **Table 3.6**.

Table 3.6 : Amount paid for improperly inspected and accepted goods

| Construction/ Rehabilitation Projects | Payment Voucher/ Supplier | Amount in TZS |
|--|------------------------------|-------------------|
| SQAQO-Moro MC | Supplier 1 | 147,000 |
| | Supplier 2 | 364,207 |
| | Supplier 3 | 2,430,400 |
| | Supplier 4 | 375,000 |
| | Supplier 5 | 1,740,382 |
| | Supplier 6 | 7,007,284 |
| | Supplier 7 | 931,000 |
| | Supplier 8 | 176,400 |
| | Supplier 9 | 1,636,600 |
| | Supplier 10 | 382,500 |
| | Supplier 11 | 454,500 |
| | Supplier 12 | 523,142 |
| | Supplier 13 | 117,600 |
| | Supplier 14 | 254,800 |
| | Supplier 15 | 149,940 |
| Morogoro SS | 2020-000404 | 4,807,200 |
| | 2020-000357 | 2,056,000 |
| | 2020-000420 | 234,480 |
| | 2020-000131 | 2,794,000 |
| | 2020-000313 | 2,860,000 |
| Nachingwea TTC | 51/11 | 19,463,780 |
| Total | | 48,759,215 |

Source: Auditor analysis of payment Voucher, 2021

Interviews with officials from the visited schools and colleges revealed that, availability of members for inspection and acceptance was sometimes difficult because procurement was done frequently and some members of inspection and acceptance committee were not from within the entity. For example, in a project of Construction of School Quality Assurance Office, Officers like the District Administrative Secretary

(DAS) and Planning Officer were involved and could not always be available for inspection.

Likewise, for rehabilitation/construction of classrooms officers like Ward Executive Officer (WEO), Extension officers and other citizens were in inspection and acceptance committee.

The availability of members not working in a respective entity and ordinary citizens from the community was not always guaranteed. As a result, the effectiveness of inspection and acceptance was jeopardized, as they could not provide assurance if all materials were delivered as per purchase order.

3.3.2. Lack of Store Requisition Vouchers

Regulation 214(1) of Public Finance Regulation of 2011 highlighted that, when an officer requires supplies from store to apply for an item on a stores requisition that must be signed by AO or officer assigned to do so. In all visited projects only Morogoro SS, Nachingwea TTC and Klerruu TTC prepared store requisition vouchers for some items issued from store whereas the rest did not.

Interview with official from visited entities revealed that, supplies were frequently issued; thus, it was difficult to ensure all supplies issued to be authorised store requisitions. As result, procurement officers issued all items needs to acceptance committee or construction committee. This creates doubts on how the materials issued were controlled.

3.3.3. Improper Recording of Stores

Regulation 212(1) of Public Finance Regulation of 2011 requires that, all receipts and issues of stores to be supported by vouchers which must be capable of being readily identified in sequence either by the printed serial number on the voucher form and, or by being numbered consecutively by the receiving or issuing stores as appropriate.

Review of stores ledger and issue vouchers noted that, in 20 out of 21 visited projects, there were some deficiencies in recording goods as presented in **Table 3.7**. For example, at Klerruu TTC indicated that Gypsum powder was issued between 23rd September to 4th October 2019

while receiving was between 3rd to 12th October 2019. The Audit noted that, officials involved in recording stores in ledger were lacking basic knowledge on store management.

Table 3.7: Improper Records of stores Ledger

| Project Location | Projects | Records of Stores Ledger |
|------------------|----------------------|---|
| Morogoro MC | Construction of SQAQ | Indicating all materials were issued once with no reference number |
| | Mafiga SS | Indicating all materials were issued once with no reference number |
| | Morogoro SS | Indicating all materials were issued once with no reference number |
| Tanga CC | Usagara SS | Indicating all materials were issued once with no reference number |
| | Galanos SS | Indicating all materials were issued once with no reference number |
| | Tanga Technical SS | Indicating all materials were issued once with no reference number |
| Iringa MC | Klerruu TTC | Indicating all materials were issued with no reference number; and Receiving and issuing records were not sequential. |
| | Mawelewele SS | Indicating all materials were issued once with no reference number |
| | Tegamenda SS | Indicating all materials were issued with no reference number; and without indicating receiver of items |
| Nachingwea DC | Construction of SQAQ | No records of Issuing |
| | Nachingwea Girls SS | Indicating all materials were issued once with no reference number |
| Bariadi TC | Simiyu SS | Indicating all materials were issued once no reference number |
| | Sima B PS | Indicating all materials were issued with no reference number; |
| | Construction of SQAQ | Indicating all materials were issued with no reference number |
| Mpwapwa DC | Mazae SS | Indicating all materials were issued with no reference number |
| | Mpwapwa TTC | Indicating all materials were issued with no reference number, at required and proper authorisation. |
| | Berege SS | Indicating all materials were issued once no reference number |
| Nzega TC | Rwanzoli SS | Indicating all materials were issued once no reference number |

| Project Location | Projects | Records of Stores Ledger |
|------------------|-----------|--|
| | Bulunde | Indicating all materials were received and issued once no reference number |
| | Kitangili | Indicating all materials were received and issued with reference number for issued items |

Source: Auditor analysis of stores ledgers and Issue Vouchers for visited projected, 2021

Table 3.7 indicates that, in all entities visited records of store ledger had some deficiencies. However, at Mpwapwa TTC and Kitangili SS store records had small defects as compared to others.

3.3.4. Inadequate Control of Store Issues

Regulation 215(1) of Public Finance Regulations of 2011 highlighted that as a precaution against irregularity and fraud, officers preparing and signing stores issue vouchers must ensure that no blank spaces are left in which further authorised issues could be inserted later. Moreover, Regulation 218 (1) requires a copy of issue voucher to match with a copy retained by officer.

Review of issue vouchers, noted that, in all visited projects, except Mpwapwa TTC, issue vouchers were well prepared, and no blank space were left in approved forms.

This conduct provided opportunities for issuing unauthorized materials more materials than the approved quantity. This can be done for good or bad faith; however, it was difficult to distinguish.

3.4 Execution of Projects

Examination of execution and supervision of construction projects implemented through FA Procurement noted the areas requiring improvement covering pre-construction requirements; cost control; time control; quality control; and health and safety.

3.4.1. Inadequate Consideration of Pre-construction Requirements

The audit noted that, necessary considerations prior to construction were not thoroughly addressed as explained hereunder:

a) Inadequate Conditional Survey or Engineer's Estimates

Part 6(a) (ii) of the Force Account Guideline, 2017 issued by the Ministry of Education Science and Technology (MoEST) required MoEST to coordinate the conduct of conditional survey of college or old school in order to identify needs for improvement and to generate the estimated costs.

Review of condition surveys reports, and physical observation of the construction sites noted that, condition surveys did not present some of important items condition which needed to be rehabilitated; the cost required; and the time. As a result, key conditions reported during condition survey were changed in five out of seven rehabilitated projects. This was done to achieve the expected improved conditions as far as the construction committees, procurement committees and the consultant were concerned. The proposed and performed conditions are as indicated in **Table 3.8**

Interviews with supervising engineers showed that, lack of thorough check of actual conditions during execution led to inadequate condition survey reports.

Table 3.8: Inadequacy of Condition Survey

| Procuring Entity | Actions Proposed by Condition Survey Report | Actual activities performed to improve |
|--------------------|---|--|
| Morogoro SS | Seal excessive cracks with an opening approximated to 25 mm at Administration Block in the Ordinary Level premises | Reconstruct new walls at that wall portion |
| | Maintaining the short heights of less than 3 meters of existing multipurpose and dining halls at Advanced Level premises. | Removed the existing roofs and increased room's height by increasing height of the walls and re-roofing |
| Tanga Technical SS | Existing Septic and Soak pits be emptied and renovated | Re-building the pits afresh due to bad condition |
| | Unforeseen the items of re-roofing the buildings which led to roofing scope not included in the proposed activities to be done | Re-roofing of Chemistry Laboratory and dispensary buildings |
| | | Manufacturing of tables and benches at Dining and kitchen hall |
| Nachingwea TTC | Did not foresee the need for construction of toilet at Machoya Hostel building, it was not included in the proposed activities to be done | Had to construct that toilet as additional item |
| | Did not foresee the need for constructing block walling fence at water well | Changing of water well fencing from chain link to block walling. |
| Galanos SS | Supplying and fixing casement windows components | Supplied and installed aluminium windows at Three classroom Block, Geography Department and Toilet Block |
| Mpwapwa TTC | Did not foresee the need to re-roof the leaking old tiles roofed buildings | Treatment of parts where there were roof leakages |

Source: Condition Survey Reports and Site visits 2020/21.

Table 3.8 indicates that, regardless conduction of condition survey there was still important needs that needed more attention. This led to changes in plans during project implementation.

Furthermore, at Mpwapwa TTC the proposed treatment of leaking of the roof parts in the buildings did not improve the situation as during site visit audit noted roofs of 37% of the rehabilitated buildings such as dormitory buildings, dormitory bathrooms and administration block were still having leakages (refer **Table 3.9**).

Table 3.9: Dormitories Roof Leakage Problem at Mpwapwa TTC

| Location of Dormitories | No. of Dormitories | Number of Leaked Dormitories | Name of leaked Dormitories | Extent (in percentage) |
|----------------------------------|--------------------|------------------------------|----------------------------|-------------------------|
| Ramadhan Boys Dormitories | 4 | 1 | Ramadhan A | 25 |
| Mkwawa Boys Dormitories | 4 | 2 | Mkwawa A and D | 50 |
| Mazengo Boys Dormitories | 3 | 3 | Mazengo A B and C | 100 |
| Shaaban Robert Boys Dormitories | 4 | 1 | Shaaban Robert B | 25 |
| Ramadhan Girls Dormitories | 5 | 1 | Ramadhan D | 20 |
| Mkwawa Girls Dormitories | 5 | 1 | Mkwawa D | 20 |
| Mazengo Girls Dormitories | 5 | 2 | Mazengo A and C | 40 |
| Shaaban Robert Girls Dormitories | 5 | 2 | Shaaban Robert D and E | 40 |
| Total | 35 | 13 | | 37 |

Source: Site visit at Mpwapwa TTC in January, 2021.

Table 3.9 shows that, 13 out of 35 dormitories (equivalent to 37 percent) were having roof leakages. The problem was more serious for Mazengo boys Dormitories where all dormitories were leaking.

Roof leakage led to destruction of the rehabilitated gypsum ceiling. **Photo 3.1** indicates how gypsum ceilings suffered defects due to roof leakages.



Photo 3.1: Roof leakage in one of the Dormitory ablution at Mpwapa Dormitories (Taken on 14th January, 2021).

b) Inadequate Technical Specifications in the Material Schedule (BoQ)

Part 6(e) (ii) of the Force Account Guideline issued by the Ministry of Education Science and Technology (MoEST), 2017 required LGA Engineer to check or review technical specifications for construction of new facilities or renovation works.

Review of project files in the sampled LGAs noted that BOQ did not have enough technical or quality characteristics of the construction material or services to be procured as shown in **Table 3.10**. As a result, BOQs indicated general information which limited effective procurement, inspection and acceptance for cost and quality control.

Table 3.10: Inadequate Technical Specifications

| S/N | Procuring Entity | Section | Inadequacies in technical specifications |
|-----|--------------------|---|--|
| 1 | Morogoro SS | Roof structure items | Timber to be used for roof structure in the Staff House type II BOQ not specified |
| 2 | Tanga Technical SS | Roof structure item in the project BOQ section (f) | Description for roofing timber tells about being treated but does not specify the required type of timber treatment such as pressure impregnated, dipping, soaking, dudu killer surface application etc. |
| 3 | Nachingwea TTC | Roof structure item in the project BOQ | Gauge of roof covering and type descriptions of timber to be used for roofing not specified |
| 4 | Galanos SS | BoQ item E. Floor Finishing of Block No. 2 Three classrooms, Geography and Toilet | The descriptions of type of floor finishing needed to be laid were missing. As a result, slippery floor tiles were fixed at administration front verandah. |
| 5 | Usagara SS | BoQ item E. Floor Finishing | The descriptions of type of floor finishing needed to be laid were missing. As a result, slippery floor tiles were fixed at administration front veranda. |
| 6 | Simiyu SS | There was no provision for window grill in the material schedule | Inadequate Window and door grill as outcome of used weak flat bars, square pipes and steel sheets refer Photos 3.25 and 3.26 |
| 7 | Berege SS | Not provided so in the material schedule | Steel doors frames and shutters at classrooms not strong enough refer Photo 3.33 in Appendix 3. |
| 8 | Kidinda PS | Not provided in the material schedule | Steel doors frames and shutters used at toilet were experiencing rusting at the lowest part near floor refer Photos 3.28 in Appendix 3. This was developed |

| S/N | Procuring Entity | Section | Inadequacies in technical specifications |
|-----|------------------|---------|--|
| | | | due to continued moist condition of floor in contact with the steel door material at toilets |

Source: Auditors' analysis based on Projects BoQs and Physical verification in the visited PEs, 2020/21.

Table 3.10 shows that, descriptions for materials needed did not specify what was needed. This was caused by inadequate review of specifications included in BOQs or material schedule prior to commencement of projects.

The Head of Engineering in the respective LGAs were supposed to review the specifications. Interviews with the supervising engineers of visited LGAs noted that, they did not review the specifications as they were overloaded with number of projects that needed them for supervision and preparation of documents such as drawings, BoQs and or material schedules (refer **Section 3.5.1**). Furthermore, the audit noted inadequate capacity and disregard of the technical supervisors led to inadequate review of BOQs and schedule of Materials.

c) Construction of Multipurpose halls without Structural Drawings

Structural Drawings are among key drawings to be prepared and used during construction of complex⁹ structures. The drawing is prepared from design calculations by the Engineer detailing size of the structural members, concrete class to be used and reinforcement needed.

Regulation 63 (2) Engineers Registration Act (GN of 35) of 2010, requires every engineering design drawing to bear a standard title block indicating persons, who designed, checked and approved by initialling and stamping. During site visits, it was noted that, construction of multipurpose halls at Kitangili, Mawelewele, Mazae and Berege SS were executed without using structural drawings.

⁹ Structure that has columns and beams needing structural details

Interviews with responsible technical personnel in visited projects noted that, artisans were using architectural drawings and given verbal instructions for concrete class and reinforcement details. Audit Team is of the view that inadequate capacity of the supervising engineer and technicians to realize the importance and risk of such professional misconduct contributed to construction without using structural drawings. The registration status of technical personnel is detailed in **section 3.4.4 (d)**.

This jeopardised the quality of works executed. In all the visited multipurpose halls there was quality concern as presented in photos 3.2 and 3.3.



Photo 3.2: Floor of Multipurpose Hall at Berege SS-Mpwapwa DC, taken on 12th January, 2021.



Photo 3.3: Floor of Multipurpose Hall at Mazae SS-Mpwapwa DC taken on 13th January, 2021.

d) Building Permits not Requested Prior to Execution

Regulation 124 and 125 of Local Government (Urban Authorities) (Development Controls) Regulations of 2008 require that, any building works to obtain building permits from Planning Authorities¹⁰

Review of projects files noted that, 1 (one) project out of 22 (equivalent to 95.5%) of the projects were implemented without having building permits. It was only at Bariadi TC School Quality Assurance Office which had building permit.

In Interview with LGAs' Engineers, showed that construction of public buildings without building permits was caused by wrong perception that government buildings especially those owned by LGA did not need permit. Audit team is of the view that lack of inspections in government buildings from regulatory authorities such as Architects and Quantity Surveyors Registration Board (AQRB) and Engineers Registration Board (ERB) in construction of government buildings led to the existence of the problem. 100 percent of visited projects were not inspected by AQRB or ERB.

¹⁰ City, Municipal, Town and District Council

Failure to obtain building permits prior construction may put the implemented projects in risks such as environmental and health; safety in case fire incidents; building stability; and ownership risks.

3.4.2. Inadequate Cost Control

Regulation 114 (a) of Public Procurement Regulations, (GN 446) of 2013 requires PEs to monitor cost when undertaking construction of works. The Audit Team noted the following weaknesses regarding control of cost when implementing the projects:

a) Cost Increase

Regulation 69 (3) and (6) require PE to forecast its requirements for goods and works as accurately as was practicable. It requires PE to prepare its estimates based on prevailing market prices. Likewise, part 6(a)(ii) of the Guideline for Implementation of Force Account issued 2017 requires MoEST to conduct feasibility study (condition survey) for rehabilitation projects in order identify needs and funds needed to execute the projects.

Review of project files in visited projects noted that, amount of fund disbursed for construction were equal for same type of buildings for instance, multipurpose hall got TZS 100 million, classroom got TZS 20 million, toilet stance got TZS 1.1 million, Administration block received TZS 50 million; and a library got TZS 50 million. The Audit noted that, disbursement did not consider engineer's estimates of particular areas. As a result, projects were not completed due to shortage of funds (Refer Table 3.11).

Table 3.11: Uncompleted Projects because of Cost Increase

| S N | LGA | Procurin g Entity | Project descriptio n | Enginee r's estimat es (in million) | Amoun t disburs ed (in million) | Varian ce (in million) | Variatio n from Estimate in percenta ge |
|--------|-------------------|----------------------------|---|---|---|------------------------------|--|
| 1 | Bariadi TC | Simiyu SS | Constructio n of 2 Hostel Buildings | X | 150 | X | X |
| 2 | Nzega TC | Kitangili SS | Constructio n of 1 Hostel Building | X | 75 | X | X |
| | | | Constructio n of multipurpo se Hall | X | 100 | X | X |
| 3 | Morogoro MC | Mafiga SS | Constructio n of Administrat ion Block | 87.97 | 50 | 37.97 | 43.2 |
| | | | Constructio n of Library | 62.31 | 50 | 12.31 | 19.8 |
| 4 | Naching wea DC | Nachingw ea Girls SS | Constructio n of 1 Hostel Building | 108.26 | 75 | 33.26 | 30.7 |
| | Iringa MC | Mawelew ele SS | Constructio n of multipurpo se Hall | 125.42 | 100 | 25.42 | 20.3 |
| 5 | Mpwapw a DC | Mazae SS | Constructio n of multipurpo se Hall | 147.81 | 100 | 47.81 | 32.3 |
| | | Berege SS | Constructio n of multipurpo se Hall | 147.81 | 100 | 47.81 | 32.3 |

X-Implies that Engineer's estimates were not prepared in that respective LGA

Source: Analysis of fund Disbursed versus Engineer Estimates for uncompleted construction projects, 2021.

Table 3.11 Shows that out of nine (9) projects with increase in cost three (3) did not have Engineer's Estimates. All the remaining 6 projects that had Engineer's Estimates received funds less than the estimated costs.

Table 3.11 also indicates that, variation ranges from 19.8 to 42 percent. The Audit Team was of the view that, variations were attributed to difference between estimated cost of materials; transportation and labour cost as compared with prevailing market prices.

As a result, projects were not completed as targeted in the issued drawings.

b) Payment Certificates were not Prepared

Part 9(e) of the Force Account Guideline issued by the Ministry of Education Science and Technology (MoEST), 2017 required interim and final certificates to be prepared in order to ascertain work done and payment to be made.

Review of project files in the visited LGAs noted that in four (4) out of seven (7) - equivalent to 57 percent of visited LGAs, artisans were paid without preparation of Payment Certificates. The remaining artisans were requesting and being paid by considering contract labour charges at construction stages they had completed. The extent of artisans being paid without use of Payment Certificates is as indicated in **Table 3.12**.

Table 3.12: Use of Payment Certificates

| Name of LGA | Payment Certificates Used |
|---------------|---------------------------|
| Bariadi TC | X |
| Nzega TC | X |
| Morogoro MC | V |
| Tanga CC | V |
| Nachingwea DC | V |
| Iringa MC | X |
| Mpwapwa DC | V |
| Total | X=3, V=4 |

Source: Analysis of Payment Vouchers for Labour, 2021

Table 3.12 shows that, four (4) out of Seven (7) visited LGAs, Artisans were paid without preparation of Payment certificates. The remaining LGAs which did not use payment certificates used mode of payment for specific BoQ item. For instance, when the artisan completed building the foundation he requested for the payment of labour charge corresponding to that stage of construction.

Payment without preparing Payment Certificates contributed to non-deduction of retention money because payment without using certificates may facilitate non reduction of money. Also, inspection and reporting for the executed works prior to payment may not be enforced when payment is done without use of certificates.

In addition, no reduction of retention money was done for LGAs which did not prepare payment certificates. As a result, early defects were noted indicating that thorough inspections were not conducted prior site handover as presented in sub-section (c) of **Section 3.4.7**.

Interviews with supervising Engineers showed that, amount deducted was low because reduction was supposed to be done for labour charge without materials used. This implies that, in case of any defect that will need building materials to rectify, it will be difficult to attain.

c) High Cost of Labour Charges

Examination of labour charges for rehabilitation projects audit noted that, Cost of Labour charge at Tanga Technical SS was 43% of the total project cost. The audit expected to find the labour cost not exceeding 23% of the total project cost as compared to Galanos SS and Usagara SS who incurred labour charges at 23% and 19% respectively.

In addition, The Audit Team expected to find cheaper labour cost for projects implemented through Force Account as most of the risks remain to the employer. Labour charges for all visited rehabilitated projects are presented in **Table 3.13**.

Table 3.13: Percentage of Labour Charges rehabilitated projects

| | Name of School/College | Project Amount in TZS (Disbursed Amount) | Labour charges in TZS | Percentage of Labour Charges |
|---|------------------------|--|-----------------------|------------------------------|
| 1 | Morogoro SS | 1,042,554,532.80 | 205,831,606.00 | 20 |
| 2 | Usagara SS | 963,501,458.00 | 240,875,364.00 | 19 |
| 3 | Galanos SS | 969,269,927.00 | 220,578,735.00 | 23 |
| 4 | Tanga Technical SS | 2,111,515,886.00 | 905,291,241.00 | 43 |
| 5 | Nachingwea TTC | 1,928,077,257.60 | 632,481,872.00 | 33 |
| 6 | Klerruu TTC | 1,139,852,085.50 | 184,568,241.00 | 16 |
| 7 | Mpwapwa TTC | 1,624,980,784.94 | 347,742,370.00 | 21 |

Source: *Analysis of Projects Costs incurred and Labour Charges in visited rehabilitation projects, 2020/21.*

Table 3.13 shows that the labour charges for the sampled rehabilitated projects ranged from 19 percent to 43 percent. Tanga Technical SS Labour charge was the highest of all rates in visited rehabilitation projects. The percentage of Tanga Technical SS was higher by 20 percent and 24 percent as compared to Galanos SS and Usagara SS with percentages of 23 and 19 respectively having the same nature of works and executed by the same kind of labour force in Tanga City Council.

This was attributed by engineer's estimate that provided the labour charge provision of 40 percent of material cost in the material schedule. As a result, Tanga Technical SS would have saved TZS 422,303,177 i.e. $(2,111,515,885.67 \times 0.20)$ if the labour charge was at 23 percent.

3.4.3. Inadequate Time Control

Regulation 114 (b) of Public Procurement Regulation (GN 446) of 2013 requires PEs to monitor the progress and timely completion of works. Also, part 6(d) (iii) of Guideline for Implementation of Force Account requires PEs to supervise construction and rehabilitation works so as to ensure that they are completed on time. Review of project reports and site visits noted the weaknesses with regard to time control.

a) Inadequate Use of Work programme

Review of project reports in the visited LGAs noted that, eight (8) out of 22 (equivalent to 36 percent) of projects were implemented and completed without having work programme (refer **Table 3.14**). Interviews with responsible supervising Engineers and Technicians noted that wrong perception that contract management when implementing projects through Force Account does not necessitate the use of works program contributed to that weakness.

Table 3.14: Projects with Work Programme

| LGA | Name of Project | Status of Work Programme |
|---------------|---------------------|--------------------------|
| Bariadi TC | SQA-Office building | V |
| | Simiyu SS | V |
| | Sima B PS | V |
| | Kidinda PS | V |
| Nzega TC | Kitangili SS | X |
| | Bulunde SS | X |
| | Mwanzoli SS | X |
| Morogoro MC | SQA-Office | V |
| | Morogoro SS | V |
| | Mafiga SS | X |
| Tanga CC | Usagara SS | V |
| | Tanga Tech SS | V |
| | Galanos SS | V |
| Nachingwea DC | SQA-Office | X |
| | Nachingwea TTC | V |
| | Nachingwea Girl SS | X |
| Iringa MC | Klerruu TTC | V |
| | Mawelewele | V |
| | Tagamenda | V |
| Mpwapwa DC | Mpwapwa TTC | V |
| | Mazae SS | X |
| | Berege SS | X |

Source: Auditors Analysis work programme for visited projects, 2021

Table 3.14 shows that sixty-four (64) percent of sampled projects used works programs to assist in time control during execution of construction and renovation activities. The rest thirty-six (36) percent of sampled projects did not use the work programs. This contributed to delayed

completion of implemented projects as detailed in sub-section (b) of this section.

b) Delays in Completion of Projects

It was noted that, ten (10) out of 22 (equivalent to 46%) of audited projects were not completed on time (i.e. with 3 months); four (4) out of 22 projects equivalent to eighteen 18% were timely completed; and eight (8) projects (equivalent to 36%) were not completed due funds shortage (refer Table 3.15).

Table 3.15: Variation between Planned and Actual completion Status

| LGA | Name of Project | Start date | Actual Completion Date | No. of months | Completion Status |
|---------------|---------------------|----------------|------------------------|---------------|-------------------|
| Bariadi TC | SQA-Office building | June, 2019 | September, 2019 | 3 | Timely completed |
| | Simiyu SS | February, 2019 | Not completed | - | Not Completed |
| | Sima B PS | August, 2016 | October, 2016 | 2 | Timely completed |
| | Kidinda PS | August, 2016 | November, 2016 | 3 | Timely completed |
| Nzega TC | Kitangili SS | April, 2019 | Not completed | - | Not Completed |
| | Bulunde SS | April, 2017 | August, 2017 | 4 | Delayed |
| | Mwanzoli SS | July, 2017 | February, 2018 | 7 | Delayed |
| Morogoro MC | SQA-Office | July, 2017 | February, 2018 | 7 | Delayed |
| | Morogoro SS | June, 2019 | October, 2019 | 4 | Delayed |
| | Mafiga SS | June, 2019 | Not completed | - | Not Completed |
| Tanga CC | Usagara SS | June, 2019 | December 2019 | 6 | Delayed |
| | Tanga Tech SS | May, 2017 | Not handed over | - | Not Completed |
| | Galanos SS | July 2019 | November, 2019 | 4 | Delayed |
| Nachingwea DC | SQA-Office | August, 2019 | December, 2019 | 4 | Delayed |

| LGA | Name of Project | Start date | Actual Completion Date | No. of months | Completion Status |
|------------|--------------------|-----------------|-----------------------------|---------------|-------------------|
| | Nachingwea TTC | April, 2018 | Not completed ¹¹ | - | Not Completed |
| | Nachingwea Girl SS | May, 2019 | Not completed | - | Not Completed |
| Iringa MC | Klerruu TTC | April, 2018 | Not completed | - | Not Completed |
| | Mawelewelle | April, 2018 | Not handed over | - | Not Completed |
| | Tagamenda | March, 2017 | June, 2017 | 3 | Timely completed |
| Mpwapwa DC | Mpwapwa TTC | September, 2016 | February, 2017 | 5 | Delayed |
| | Mazae SS | April, 2017 | February, 2018 | 10 | Delayed |
| | Berege SS | April, 2017 | February, 2018 | 10 | Delayed |

-Nothing going at construction site and no hope for finalizing the remaining activities

Source: Auditors' analysis of completion status, 2021.

According to **Table 3.15**, one project was completed one month before time. Whereas delayed projects were late by one (1) to ten (10) months. Details on uncompleted projects are provided in sub-section (c) hereunder:

c) Uncompleted Projects

Based on **Table 3.15**, eight (8) projects were not completed at the time of audit. Physical verification to the visited projects areas showed that the complex structures (multipurpose halls) together with hostel buildings were the uncompleted and there were no construction activities that were going on during audit period in all visited projects. The status of uncompleted projects is presented in **Table 3.16**.

¹¹ Fibre Water storage tank material available at site but not installed on tank tower

Table 3.16: Progress Status of uncompleted projects during audit period

| S/N | Name of School/College | Uncompleted Building(s) | Remained works |
|-----|------------------------|---|--|
| 1 | Simiyu SS | 2-Hostel Buildings | Ceiling, flooring, painting, plumbing and water system installation, electrical installation, aluminium windows |
| 2 | Kitangili SS | 1-Hostel Building | Ceiling, plastering, flooring, painting, plumbing and water system installation, electrical installation, aluminium windows |
| | | Multipurpose hall Building | Ceiling, plastering, flooring, painting, plumbing and water system installation, electrical installation, windows |
| 3 | Mafiga SS | Administration and Library | Painting, electrical and aluminium windows |
| 4 | Nachingwea TTC | Girls hostel building | Mortice locks, fixing of Hand Wash Basins, water connection, fixing of ventilation to doors |
| | | Water storage tank | Fixing of fibre tank on the water tank tower |
| 5 | Nachingwea Girls SS | 1-hostel Building out of two (2) hostel buildings | Ceiling, plastering, flooring, painting, plumbing and water system installation, electrical installation, aluminium windows |
| 6 | Mawelewele SS | Multipurpose hall Building | Ceiling, external plastering, flooring, painting, plumbing and water system installation, electrical installation, aluminium windows |

Source: Auditors analysis for uncompleted projects, 2021.

Table 3.16 shows that, the completed projects had the main structural work completed waiting for finishing activities. This was caused by inadequate consideration of engineering estimates as explained in section 3.4.2(a) of this report. Ultimately funds disbursed were insufficient for completion of those projects to achieve scope¹² provided in the MoEST standard drawings.

¹² The issued multipurpose halls drawing was involving structures for external kitchen with changing rooms and bathrooms and washing area.

3.4.4. Inadequate Quality Control

Section 4A (3) (C) of Public Procurement (Amendment) Act No.5 of 2016, requires PEs when executing their duties to strive to achieve value for money in terms of quality as per set criteria. Likewise, Part 6(e) (i) of the Force Account Guideline issued by the Ministry of Education Science and Technology (MoEST), 2017 required LGA Engineer to ensure quality of executed works was according to conditions of contracts. This also included ascertaining quality of material procured for construction meet construction standards. The following weaknesses were noted in relation to quality control.

a) Material Tests were not Conducted in 12 out of 17 Projects

Reviewed project files noted that there were only five (5) projects in which tests were conducted to assess sand-cement block strength out of seventeen (17) new construction projects. However, material tests were conducted on cement sand blocks only, leaving concrete and reinforcements untested to ascertain the quality. **Table 3.17** provides details.

Table 3.17: Records for Material Testing in Visited Projects

| LGA | Name of Project | Testing of Materials Conducted |
|---------------|---------------------|--------------------------------|
| Bariadi TC | SQA-Office building | V |
| | Simiyu SS | x |
| | Sima B PS | X |
| | Kidinda PS | X |
| Nzega TC | Kitangili SS | X |
| | Bulunde SS | X |
| | Mwanzoli SS | X |
| Morogoro MC | SQA-Office | V |
| | Morogoro SS | N/A |
| | Mafiga SS | V |
| Tanga CC | Usagara SS | N/A |
| | Tanga Tech SS | N/A |
| | Galanos SS | N/A |
| Nachingwea DC | SQA-Office | V |
| | Nachingwea TTC | X |
| | Nachingwea Girl SS | V |

| LGA | Name of Project | Testing of Materials Conducted |
|------------|-----------------|--------------------------------|
| Iringa MC | Klerruu TTC | X |
| | Mawelewele | X |
| | Tagamenda | X |
| Mpwapwa DC | Mpwapwa TTC | N/A |
| | Mazae SS | X |
| | Berege SS | X |

V - Tested; X- Not Tested; and N/A- Not Applicable

Source: Auditors Analysis based on materials testing Reports of the visited projects, 2021.

Based on **Table 3.17** tests were conducted in all the three (3) office building projects and two (2) secondary schools. Further, no tests were conducted in Nzega TC, Tanga CC, Iringa MC and Mpwapwa DC. Testing the strength of sand-cement blocks, concrete and reinforcement was crucial to ascertain quality of the projects.

Interviews with the LGA engineers noted that, failure to test construction materials was contributed by inadequate preparation of BoQs that did not consider providing item for material testing thus there was no set amount for testing.

Furthermore, audit noted that, test results of sand-cement blocks at Bariadi SQAQ failed but the construction proceeded. Using sand- cement blocks that failed the tests will affect the strength of the structure. For other projects, all tests undertaken passed.

b) Lack of Execution Quality Assurance

Regulations and By Laws 59 (3) of 2010 of Engineers Registration Act of 1997 requires that every stage of construction that requires approval by the Supervising Engineer at site should be evidenced by issuance of site instructions. Besides, Part 6 (e) (i) of Guideline for Implementation of Force Account projects, 2017 required the Engineer to ensure the construction or rehabilitation standards are according to conditions of contract including quality of the executed works.

Review of project files noted that there were no instructions or documented approvals of execution procedures by the supervising technical personnel. The Audit Team expected to be availed with evidence of step by step approvals by the supervising technical personnel.

Failure to give approvals was caused by shortage of engineers and technicians to supervise the projects, but also lack of qualified personnel as is presented in **section 3.5.1** of this report. Lack of approvals at different stages of construction casts doubt on quality assurance of the executed works. High risk was on construction of complex¹³ structures such as multipurpose halls as most of involved activities need to be executed to the satisfaction of Engineer.

c) Timbers used were not Properly Treated

Best practice requires timber material used to be treated with pressure impregnation as was applied to PO-RALG issued Material schedule in the Health sector. Site visit at Bariadi TC, Nzega TC, Mpwapwa DC and Iringa MC established that timber used for roofing were Dudu Killer treated timber and used oil. This kind of treatment was substandard.

This was specifically noted for ongoing construction of hostel building of Simiyu SS in Bariadi TC, multipurpose halls at Kitangili SS in Nzega TC and at Mawelewele SS in Iringa MC. Furthermore, at Mazae SS and Berege SS treated timber was by using engine oil. Interview with engineers showed that, use of Dudu killer treated timber instead of pressure impregnated timber was for cost saving.

Furthermore, the audit team noted that, BOQ prepared by engineers for the visited projects of Morogoro SS and Tanga Technical SS did not specify type of timber treatment as is presented in **section 3.4.1(b)** of this report. Use of inadequate treatment risks the timber as can be consumption material for termites and other destructive insects to attack roofing timber and ultimately shorten life span of the roof structure and ceiling.

¹³ Structure that has columns and beams needing structural details

d) Supervising Engineers were not Registered with Engineers Registration Board (ERB)

Section 12A of the Engineers Registration Act No.15 of 1997 (as amended) requires every Professional Engineer or Consulting Engineer to possess a valid practicing certificate or license which shall have a valid period of three years from the date of issue.

Interview with projects supervising technical personnel noted that, two (2) out of four (4) engineers and three (3) out of three (3) technicians were practicing without being registered with Engineers Registration Board (ERB). **Table 3.18** gives registration status of civil engineers and technicians who were involved in projects supervision of visited LGAs.

Table 3.18: Registration Status of Engineers and Technicians involved in projects Supervision of visited LGAs

| LGA | Supervising Engineer(s)/Technician(s) | Status of Registration (ERB) |
|---------------|---------------------------------------|------------------------------|
| Bariadi TC | Civil Engineer | Unregistered |
| Nzega TC | Civil Technician | Unregistered |
| Morogoro MC | Civil Engineer | Registered |
| Tanga CC | Civil Engineer | Registered |
| Nachingwea DC | Civil Technician | Unregistered |
| Iringa MC | Civil Engineer | Registered |
| Mpwapwa DC | Civil Technician | Unregistered |

Source: Interviews in the Visited LGAs in September, 2020 to January, 2021.

Table 3.18 shows that in the sampled seven (7) LGAs, three (3) LGAs which are in Nzega TC, Nachingwea DC and Mpwapwa DC projects were supervised by Civil Technicians. The average number of projects that were being supervised by a technician was thirty-three projects at a time as narrated in section 3.5.1 of this report.

Furthermore, **Table 3.18** shows that three (3) out of seven (7) visited LGAs had engineers that were not registered with regulatory board ERB. The Audit Team was of the view that use of unregistered Engineers was

caused by lack of enforcement on the use of registered Engineers in the project implementation.

Working with unregistered engineers in projects implementation was non-compliance with the Engineers Registration Act No.15 of 1997 (as amended).

e) Artisans for Electrical Installation were Practicing without being Licensed with Regulatory Authority (EWURA)

The Electricity Act (Cap 13) section 4(1), The Electricity (Electrical Installation services) Rules, 2015 requires any person conducting electrical installation activity to seek and obtain a license.

Review of project files noted that in five (5) out of seven(7) LGAs had artisans who conducted electrical installation or wiring for both new constructions and rehabilitation works who were practicing without having license for rendering such kind of service from regulatory authority (EWURA) refer **Table 3.19** for more details.

Table 3.19: Use of Licensed Electrical Artisans

| Name of LGA | EWURA Licensing Status |
|---------------|------------------------|
| Bariadi TC | V |
| Nzega TC | X |
| Morogoro MC | x ¹⁴ |
| Tanga CC | X |
| Nachingwea DC | X |
| Iringa MC | X |
| Mpwapwa DC | V |

v- Licensed; and X- unlicensed

Source: Auditors analysis of electrical artisans, 2021

Interviews with supervising Engineers and Technicians noted that, using unregistered artisans for electrical installation activities was caused by lack of awareness on the respective rules.

¹⁴ Unlicensed but TEMESA supervised the works

Using Artisans not regulated by respective regulatory authority was non-compliance and put the implemented projects at risks such as fire incidents associated with improperly electrical installation service.

3.4.5. Inadequate Consideration of Health and Safety Aspects

Audit assessed if health and safety related aspects were covered during construction of projects through FA Procurement and the following were noted:

a) Health and Safety Issues were neither Recorded nor Reported

OSHA Act section 12(i) requires that accidents near-misses, injuries, illnesses, deaths, and non-compliance be reported to the inspector. Review of sampled project files noted that there was no site Accidents Register Books. In addition, progress reports did not include issues concerning health, safety, and welfare of persons, and damage to the property.

It was further noted that, there were no reported HIV-Aids awareness programme conducted in any of the implemented projects to reduce the risk of infection. This was contributed by weakness of Contracts because they lacked clause covering Health and Safety issues in the conditions of contracts. The Audit Team could not verify whether there was First Aid Boxes at site because at the time of carrying out the audit there were no ongoing construction or rehabilitation activities in any of the visited sites.

Furthermore, site visits noted that there was safety risk to students at Nachingwea TTC as there was uncovered pit and at Simiyu Secondary School were the uncovered septic tank and soak pit (Refer **Photo 3.4**) that were noted during audit.



Photo 3.4: Uncovered Soak pit at Simiyu SS at Bariadi TC

b) Fire Protection Equipment were not Installed

Section 69(16) of the Fire and Rescue (Fire Precautions in Buildings) Regulations, 2015 requires every dwelling house to have portable fire extinguisher(s) and smoke alarm(s).

Site visit in sampled projects noted that fifty-five (55) percent of the buildings constructed and rehabilitated did not have provisions for installation of fire extinguisher. The situation for each project is as presented under **Table 3.20**.

Table 3.20: Extent of Installation of Fire Extinguishers in Visited Building Projects

| LGA | Name of Project | Presence of fire Extinguishers in the buildings |
|---------------|---------------------|---|
| Bariadi TC | SQA-Office building | V |
| | Simiyu SS | V ¹⁵ |
| | Sima B PS | x |
| | Kidinda PS | x |
| Nzega TC | Kitangili SS | x |
| | Bulunde SS | x |
| | Mwanzoli SS | x |
| Morogoro MC | SQA-Office | x |
| | Morogoro SS | V |
| | Mafiga SS | V ¹⁶ |
| Tanga CC | Usagara SS | V |
| | Tanga Tech SS | V ¹⁷ |
| | Galanos SS | V |
| Nachingwea DC | SQA-Office | x |
| | Nachingwea TTC | V ¹⁸ |
| | Nachingwea Girl SS | x |
| Iringa MC | Klerruu TTC | x |
| | Mawelewele | V ¹⁹ |
| | Tagamenda | x |
| Mpwapwa DC | Mpwapwa TTC | V |
| | Mazae | x |
| | Berege | x |

V Equipment was supplied and installed; and X Equipment was neither supplied nor installed

Source: Site visit and fire Extinguishers installation in visited projects, 2020/21.

Table 3.20 shows that fire extinguishers were not supplied and installed in 12 out of 22 (equivalent to 55 percent) of visited projects. It was further noted that the fire extinguishers were of different specifications such as sand and carbon dioxide gas cylinders.

¹⁵ Equipment were supplied but not installed

¹⁶ Available in the form of sand

¹⁷ Equipment supplied but not installed

¹⁸ Equipment supplied and installed in some of the buildings

¹⁹ PE installed the equipment though was not in the BOQ

The observed situation was contributed by lack of inspection from the safety regulatory authorities such as OSHA and Fire brigade departments. Failure for projects to have fire protection equipment put the buildings at risk in case of fire outbreak which may result in injuries and loss of lives.

3.4.6. Inadequate Completion and Closure

Part 8 section (xvi) of Guideline for projects implementation through FA issued by MoEST in 2017 required completion certificates to be kept by the Procuring Entities as amongst implementation documents.

Furthermore, Best practice in construction before issuing completion certificate, the LGA Engineer or responsible technical personnel needs to ascertain that all the construction activities have been completed. This was done by conducting inspection and preparing list of unattended activities or defective items needing correction before handing over.

Review of Project files noted that, 100 percent of sampled projects at works completion did not have evidence of inspection and identification of snags, preparation and issuing of completion certificates. This was contributed by lack of completion control mechanism as there was no such provision in the signed contracts.

Because of this, gas systems in laboratory rooms at Simiyu SS and Usagara SS were not functioning as there were leakages of gas pipes even after rehabilitation works were complete. Interviews with supervising engineers showed that a snag list and completion certificates was not prepared; and no handing over conducted.

3.4.7. Inadequate Sustainability of Projects

The Audit Team examined sustainability after completion of whole or part of the projects and the following weaknesses were noted:

a) Gas, Water and Plumbing Systems not Functioning even after being Rehabilitated

The Audit Team noted that, at Usagara and Simiyu Secondary Schools water taps, gas taps and other laboratory infrastructure were not functioning even after been rehabilitated.

At Simiyu Secondary School laboratories, gas pipes were broken and also the number of gas pipes installed was less than the required according to BoQ. Only 83 percent was installed refer **Table 3.21**. Please refer **photo 3.11** in **Appendix 3**.

Table 3.21: Planned versus Installed Items

| S/N | Item(s) | Numbers in the Material Schedule/BoQ | No. of Items installed |
|-----|-----------------|--------------------------------------|------------------------|
| 1 | Water taps | 57 | 51 |
| 2 | Sink Complete | 57 | 38 |
| 3 | Gas pipe 1-way | 6 | 5 |
| 4 | Gas T-joint | 69 | 29 |
| 5 | Clips 5/8 | 300 | 0 |
| 6 | Pedro pump 1 hp | 1 | 0 ²⁰ |

Source: *Contract Material Schedule and Site Visit at Simiyu Secondary School, 2020.*

Table 3.21 shows that installed numbers of items such as water taps, sink complete, Gas T-joint were having deficiency as compared to planned numbers of those items. Item like clips were not fixed something which contributed to easy gas pipes destruction as were hanging without being positioned and fixed. Furthermore, interview with Headmaster noted that there was missing Pedro mortar pump which had been stolen and reported to police.

In addition, the renovated laboratory rooms at Usagara Secondary School were not functioning because of broken gas pipes and water pipes. Interview with the officials noted that the destruction was caused by carpentry Artisan who worked after commissioning of water pipes and

²⁰ The pump was stolen

gas pipes. **Table 3.22** presents the shortfalls noted in specific laboratory rooms.

Table 3.22: Shortfalls noted in Laboratory Rooms at Usagara SS

| Procuring Entities | Item(s) | shortfall |
|--------------------|---|---|
| Usagara SS | Chemistry Laboratory | |
| | Copper pipes | destructured |
| | Gas taps 90 ⁰ | Not replaced |
| | Swivel neck | Remained the existing |
| | Biology Laboratory | |
| | Gas taps 90 ⁰ | Not replaced |
| | Fire extinguishers (powder) | 3 |
| | Physics Laboratory rooms | |
| | Gas system | leakage |
| | Water system | destructured |
| Klerruu TTC | Fire extinguishers (powder) | 1 No. not installed |
| | Urinal system in one of the two toilets at Hall 2 | Not functioning |
| | Waste pipe at Hall 1 | Leaking |
| | Ventilation pipe at Hall 1 | Not projected over the roof to provide means of foul smell exit |

Source: *Contract Material Schedule and Site Visits at Usagara SS and Klerruu TTC, 2020.*

Based on **Table 3.22** gas and water pipes networks had defects in rehabilitation projects. According to interviews with PEs heads, reasons for defects include: destruction by artisan working on other items; items like clips were not installing as planned.

Interviews with supervising engineers showed defects were left unattended because there were: no conducted inspections for snag list of corrections needed; no issuance of Completion Certificates; and no handing over conducted.

Failure to inspect and identify snags for completed works and inadequate monitoring and supervision of sub-artisans caused existence of the shortfalls.

Consequently, non-functioning laboratories infrastructure will affect utilization of facilities in conducting experiments. Non-functioning of plumbing system create unhygienic environment in the dormitories.

b) Completed and Commissioned Buildings were not used for intended Purpose

Site visit at Klerruu TTC revealed that Dispensary washroom was used as storage. It was also observed at Mwanzoli SS hostel 2 rooms were used as store for remaining construction material and maize residual (Refer to **Photo 3.5**).

Furthermore, site visit at the same²¹ school in Nzega TC noted two hostel buildings that were completed but not utilized, 2-Classrooms and administration block at Kitangili SS were also not utilized although had been finished.



Photo 3.5: *Misuse of one of the hostel rooms at Mwanzoli SS in Nzega TC, photo taken on October, 2020.*

Inadequate needs analysis prior to execution caused existence of unutilized buildings. The PEs received the funds and instructions on what scope of facilities they were supposed to build. They implemented instructions of project scope implementation. As a result, the completed

²¹ Mwanzoli SS

buildings were left unused which would lead to deterioration if left unused for long time.

c) Existence of Early Defects after Project Completion

Defects arising during construction needed to be rectified before the project is considered as completed. During site visit, audit noted a number of defects in various projects as shown in **Table 3.23**.

Table 3.23: Defects noted in the Visited PEs

| Name of Procuring Entity | Noted defect(s) |
|--|---|
| Defects due to unsatisfactory workmanship | |
| Berege SS | Floor cracking on parts of completed works such as toilet corridor, refer photos 3.23 |
| Bulunde SS, | Cracking of floor at washing area, refer photo 3.13 |
| Mazae SS | Wall crack at hostel building, refer photo 3.34 |
| Klerruu TTC | Waste pipe having leakage at one of the toilets of hostel building, refer Photo 3.6 |
| Klerruu TTC | Stagnation of water in one of the toilets of hostel building, refer Photo 3.7 |
| Simiyu SS | Wall tiles of Laboratory tables peeled off, refer Photo 3.35 |
| Mwanzoli SS | Floor cracking in one of the hostel buildings, refer Photo 3.12 |
| Mpwapwa TTC. | Peeling off of Bituminous Painting at foundation in one of the buildings, refer Photo 3.18 |
| Klerruu TTC. | Peeling off of internal painting in one of the hostel building, refer Photo 3.19 |
| Sima B PS | Floor cracking in one of the classrooms, refer Photo 3.27 |
| Tagamenda SS | Floor crack in one of the classrooms, refer Photo 3.30 |
| Mpwapwa TTC | Door frame termite attack, refer Photo 3.14 |
| Uncompleted works defects | |
| Simiyu SS | Gas system pipes hanging at one of the Laboratory rooms refer Photo 3.11 |
| Mpwapwa TTC | Electrical conductor or wire is bared due to switch left open refer Photo 3.20 |
| Kitangili SS | Trusses members jointed with unsatisfactory number of nails, one or two |
| Nachingwea SQA | Switch left open in meeting room of Nachingwea SQA building refer Photo 3.21 |

| Name of Procuring Entity | Noted defect(s) |
|---|--|
| Improper Usage and Mishandling defects | |
| Simiyu SS | Water taps destructed, water systems not functioning refer Photo 3.31 |
| Berege SS | Improper usage and mishandling of toilets facilities Photo 3.22 |
| Mwanzoli SS | Miss use of the hostel room refer Photo 3.5 |
| Morogoro SS | Shower rose removed in the bathrooms |
| Mpwapwa TTC | 2 out of 4 numbers of water corks had been removed refer Photo 3.24 |

Source: *Auditors' Analysis of defects in visited projects, 2020/21.*

Table 3.23 shows that, defects were noted in different schools during post-construction stage of the projects which is the time when the projects were used by occupants. Unsatisfactory workmanship by the artisans; uncompleted works; and improper usage and mishandling of facilities infrastructure were among the factors that led to presence of early defects after project completion.

Site visits in sampled projects also noted that, multipurpose hall and hostel had quality concern of unsatisfactory finish workmanship as compared to classrooms. The major concern for classroom was floor cracks. Interviews with headmasters or headmistresses noted that inadequate supervision of engineers led to quality concerns of implemented projects.

Furthermore, there was unsatisfactory workmanship on truss joints which put the roof structure at risk of being blown away by wind in case strong winds. Existence of floor slab cracks was alarming.

According to interview with engineers and technicians involved in the supervision, cracks were likely to be caused by lack of floor strips for which they allow expansion in the floor without causing defects; use of inappropriate ratio of cement, sand and water; inadequate compaction during floor placement; and inadequate curing of constructed floor. The defects if not rectified will affect the service life of the buildings.

3.5 Supervision of Projects

The Audit examined the way projects executed through FA Procurement were supervised. The following weaknesses were noted:

3.5.1.LGAs Qualified Personnel to Supervise Works

According to regulation 167(1) of Public Procurement Regulation, 2013, the use of Force Account may be justifiable if the procuring entity has qualified personnel to carry out and supervise the required works. Furthermore, part 3.2 (ii) of the Functions and Organization Structure for President Office, Regional administration and Local Government, requires PO RALG to facilitate and coordinate capacity building plans in manpower development, staffing levels and create an enabling environment for Local Government development and growth.

Review of letter²² from PO-RALG to Permanent secretary President's Office Public Service Management and Good Governance noted that, as of May 2019 only 213 engineers were available out of 859 total needed engineers, this implies that there was deficit of 646 engineers (equivalent to 75 percent).

In addition, the review noted that, PO-RALG had 143 Civil Engineers and 166 Civil Technicians refer **Table 3.24**.

Table 3.24: Extent of available Civil Engineers and Civil Technicians national wide

| Category of Engineer | No. of available | Category of Technician | No. of available |
|---------------------------|------------------|------------------------------|------------------|
| Civil Engineers | 129 | Civil Technician | 152 |
| Civil Engineer I | 3 | Civil Technician (assistant) | 5 |
| Civil Engineer II | 4 | Civil Technician (Principal) | 2 |
| Civil Engineer (Building) | 3 | Civil Technician (Senior) | 4 |

²² PO-RALG Letter with Ref No. CCD. 129/215/01/137 dated 09/05/2019

| Category of Engineer | No. of available | Category of Technician | No. of available |
|--------------------------|------------------|------------------------|------------------|
| Civil Engineer (Roads) | 3 | Civil Technician (FTC) | 3 |
| Civil Engineer (Masters) | 1 | - | - |
| Total | 143 | | 166 |

Source: Auditors Analysis based on collected Information at PO-RALG as of September, 2020.

From **Table 3.24** shows the range of availability of Engineers ranges from one (1) engineer (masters) to one Hundred and twenty-nine (129) engineers. On other hand, the range of technicians also varies from two (2) Civil Technicians (Principal) to one hundred and fifty-two (152) civil technicians.

However, the available information did not reveal the registration status of the engineers and technicians with the respective regulatory board which is Engineers Registration Board (ERB). Furthermore, interview with engineers noted that, in all visited LGAs there was gap or need of engineers or technician to supervise the projects from planning to closure stages refer **Table 3.25**.

Table 3.25: Availability of Engineers and Technicians in the visited LGAs

| LGA | No. of Available civil Engineer s | No. of Needed Civil Engineer s | No. of Available Civil Technician s | No. of Needed Civil Technician s | No. of project s during audit |
|---------------|-----------------------------------|--------------------------------|-------------------------------------|----------------------------------|-------------------------------|
| Nzega TC | 0 | 2 | 4 | 6 | 38 |
| Morogoro MC | 1 | 4 | 0 | 8 | 35 |
| Tanga CC | 3 ²³ | 3 | 4 ²⁴ | 3 | 31 |
| Nachingwea DC | 0 | 2 | 5 | 5 | 21 |
| Iringa MC | 1 | 1 | 1 | 2 | 24 |
| Bariadi TC | 3 | 4 | 2 | 9 | 10 |

²³ 1-The 2 out of 3 engineers, 1 is Mechanical and 1 is Electrical.

²⁴ 1- Civil Technician, the rest 3 are Mechanical, electrical and water technicians

| LGA | No. of Available civil Engineers | No. of Needed Civil Engineers | No. of Available Civil Technicians | No. of Needed Civil Technicians | No. of projects during audit |
|----------------|----------------------------------|-------------------------------|------------------------------------|---------------------------------|------------------------------|
| Mpwapwa DC | 0 | 2 | 1 | 3 | 48 |
| Average | 1 | 2 | 2 | 5 | 33 |

Source: Auditors analysis of Engineer and Technician available at Visited LGAs, 2021

Table 3.25 shows the range of availability of engineers for each LGA. The availability of engineers ranges from zero (0) to three (3). The highest number of available engineers is in Tanga and in Bariadi while the least being in Nzega and in Mpwapwa where there were no engineers. On other hand, the range of technicians also varies from four (4) in Tanga and in Nzega to one (1) technician at Iringa Municipality and at Mpwapwa DC.

By comparing the workload among these staff, it is noted that in Morogoro one engineer was handling 35 projects without support of technician. The engineer in Iringa did get support from one (1) technician while he handled 24 projects. The lowest ratio of workload is noted in Tanga for which one engineer was able to manage about 31 projects under support of four technicians of different fields. At Nzega since they had no engineer, all 38 projects were managed by technicians.

Interview with PO RALG Officials noted that even before establishment of TARURA there was shortage of engineers. The transfer of Engineers from Local Government Authorities (LGAs) to Tanzania Rural and Urban Roads Agency (TARURA) after its establishment contributed to the significant shortage. However, they have requested for permission to employ one hundred engineers to minimize the available need of engineers in LGAs.

Review of PO-RALG list of Engineers and Technicians who shifted from PO-RALG and LGA to TARURA noted that 419 out 632 (equivalent to 66.2%) engineers were transferred from LGA and PO-RALG to TARURA.

The implication was that, for Morogoro and Iringa there was a risk that, projects did not get adequate attention and expertise from the engineer. For Nzega, the risk was that, there could be an addition of cost to hire an engineer to certify and approve things which were supposed to be done by the registered engineer.

3.5.2. The Supervision Cars and Motorcycle did not match the Demand

PO-RALG was required to facilitate and enable LGAs to have adequate financial and other resources to ensure effective and efficient service delivery.

Interview with the responsible engineers in the visited LGAs noted that there were LGAs which were facing challenge when it comes to issues of transportation facilities such as vehicles or motorcycle for enabling supervising engineers and technicians to easily reach the sites. **Table 3.26** presents the number of available vehicles or motorcycles used as facilities for engineers in the visited LGAs.

Table 3.26: Supervision Cars and Motor vehicles at visited LGAs

| LGA | No. of Available cars | No. of Needed cars | No. of Available motorcycles | No. of Needed motorcycles | No. of projects during audit |
|------------------------|-----------------------|--------------------|------------------------------|---------------------------|------------------------------|
| Nzega TC | 0 | 2 | 0 | 4 | 38 |
| Morogoro MC | 1 | 2 | 1 | 2 | 35 |
| Tanga CC | 2 | 2 | 0 | 3 | 31 |
| Nachingwea DC | 0 | 1 | 1 | 5 | 24 |
| Iringa MC | 1 | 2 | 0 | 2 | 23 |
| Bariadi TC | 0 | 2 | 0 | 2 | 10 |
| Mpwapwa DC | 0 | NAND | 1 ²⁵ | NAND | 48 |
| Rounded Average | 1 | 2 | 0 | 3 | 33 |

NAND=Need Analysis Not Done

Source: Auditors Analysis based on collected Information in visited LGAs

²⁵ The one available motorcycle was out of order

Table 3.26 shows that in LGAs of Bariadi TC and Nzega TC there were no available vehicles, motorcycles for facilitating supervising engineers and technicians to easily reach construction sites. Considering that there were number of projects that needed to be visited for supervision.

From **Table 3.26** it indicates that each LGA needed at least two vehicles and three motorcycles on average to have reasonable transport environment. Challenging environment to reach the sites for supervision contributed to inadequate supervision of projects executed through FA. Interview with projects engineers noted that inadequate supervision was also contributed by LGAs inadequate capacity in terms of number of available engineers or technical personnel responsible with supervision of projects together with facilities such as transport vehicles and motorcycles needed to equip them after the ones that were available were shifted to TARURA after its establishment. This shortage created a challenging environment for engineers and technicians in supervising the on-going projects.

3.5.3. Implementation of Force Account Project did not Consider the Magnitude of projects

Section 7 (3) Contractors Registration Act, (GN No. 477) of 1997 and its amendments had set class limit for every contractor to execute construction by considering the project amount versus the minimum resources needed. **Table 3.27** presents technical personnel, plants and or equipment needed and class limit for contractor of a respective class to perform.

Table 3.27: Contractors Class and Needed Resources

| S/N | Minimum Resources for Registration | | Contractor's Class | Class Limit (Million TZS) |
|-----|--------------------------------------|--|--------------------|----------------------------|
| | Technical Personnel | Plants/Equipment (No.) | | |
| 1 | Structural/ Civil Engineer (1) | <ul style="list-style-type: none"> • Concrete Mixer (2), • Concrete Vibrators (2), • Block making machine (1) • Light duty vehicle (1) • Water Pumps (1) • Concrete Dumpers (1) • Trucks or Tippers (1) • Plate Compactors (1) • Levelling Instrument (1) • Assortment of Hand tools (30), • Supervision Vehicles (1) | Five | 900 |
| 2 | Structural/ Civil Engineer (1) | <ul style="list-style-type: none"> • Concrete mixer (2), • Concrete vibrators (2), • Block making machine (1), • Water Pumps (1) • Plate Compactors (1), • Assortment of Hand tools (20), • Supervision Vehicles (1) | Six | 400 |
| 3 | Civil Engineering Technician (1) | <ul style="list-style-type: none"> • Concrete mixer (1), • Concrete vibrators (1), • Block making machine (1), • Water Pumps (1), • Plate Compactors (1), • Assortment of Hand-tools (15), • Supervision Vehicles (1) | Seven | 200 |

Source: *Contractors Registration By-Laws, 2017 and Registration Booklet*

Table 3.27 shows that, Contractors of classes six and five require at least one (1) Structural or Civil Engineer whereas class seven Contractors require at least one (1) Civil Engineering Technician.

Site visits at sampled projects noted that in Nzega TC, Nachingwea and Mpwapwa DCs there were no Civil Engineers to supervise the projects implementation, even though the implemented projects required to

have such engineers. The audit did not find any involvement of the seconded engineers who provided key engineering decisions of the projects. Lack of involvement of engineers was due to the fact that there were no employed engineers in these LGAs. The projects were supervised by Technicians (refer **Table 3.25**). Project amounts of sampled projects in the mentioned LGAs were as presented in **Table 3.28**.

Table 3.28: Sampled Projects and the respective disbursed Project Amount

| S/N | LGA | School Procuring Entities | Project Amount (in TZS) |
|-----|---------------|---------------------------------|-------------------------|
| 1 | Nzega TC | Bulunde SS | 259,000,000 |
| | | Kitangili SS | 321,600,000 |
| | | Mwanzoli SS | 175,000,000 |
| 2 | Nachingwea DC | Construction of SQAQ-Nachingwea | 152,000,000 |
| | | Nachingwea Girls SS | 216,600,000 |
| 3 | Mwapwa DC | Mazae SS | 259,000,000 |
| | | | 150,000,000 |
| | | Berege SS | 259,000,000 |

Source: *Auditors Sample, 2021*

From Table 3.28 it indicates that amounts disbursed to projects ranged from TZS 152,000,000 to TZS 259,000,000. Projects of this value were supposed to have one (1) Structural Engineer or Civil Engineer. However, this was not considered, as a result quality concerns were noted especially for complex projects like multipurpose hall.

3.5.4. Inadequate Participation of Construction Committees

Part 4 of guideline for projects implementation through FA required that all stages of procurement during project implementation to be supervised by various committees so as to ensure that the projects were completed according to government laws, regulations, guidelines and procedures.

Interview with the Accounting officers of the sampled school projects noted that at the start of the projects the responsible committees participated well in daily supervision of construction activities. The

problem started immediately after realizing that there was no any fund set aside to facilitate supervision of projects at committee level.

As a result, members of various committees quitted from supervision. The headmaster, accountants and store keepers of schools were the ones that remained to supervise the works.

CHAPTER FOUR

MONITORING AND EVALUATION OF PROJECTS IMPLEMENTED THROUGH FORCE ACCOUNT APPROACH

4.1 Introduction

This chapter presents key findings regarding Monitoring and Evaluation of Force Account Procurement System by Ministry of Finance & Planning (MoFP) and President's Office Regional Administration and Local Government (PO-RALG). It covers monitoring of procurement of materials and management of materials during execution of projects.

4.2 Monitoring and Evaluation of Procurement of Materials

The Force Account procurement approach was highly adopted and used by Tanzania Government since financial year 2016/17.

Public Procurement Act²⁶ requires the Public Procurement Policy Division (PPPD) under Ministry of Finance and Planning (MoFP) to monitor and evaluate the public procurement system in country. Performing Monitoring and evaluation is expected to help Public Procurement Policy Division (PPPD) to develop and review national procurement policies, circulars and regulations. The following subsections present the audit observations on M&E of the newly adopted Force Account Procurement Approach.

4.2.1 Force Account Procurement System was inadequately Monitored and Evaluated by PPPD

Review of documents showed that, there were no documented records to confirm that PPPD conducted M&E of the FA approach which was predominantly used by the government from 2016/17 in implementation of development projects.

²⁶ Public Procurement Act No. 7 of 2011 section 6(2)(b)

In the interview with PPPD officials and review of documents, the audit observed that, 97 fund requests associated with projects implemented through FA Procurement from 2019/20, PPPD was involved in scrutinization prior to fund disbursement.

Inadequate monitoring and evaluation of FA Procurement Approach was attributed to the following factors:

(i) There was no Monitoring and Evaluation Mechanism, Procedures and Strategies at PPPD

Review of documents showed that, there were no documented records indicating the way monitoring and evaluation of public procurement will be undertaken. Interview with PPPD officials, monitoring procedure in place were those used by Planning and Policy Division. However, review of progress report noted that, monitoring done by Planning and policy division was specific for implementation of budget activities not to Public procurement system in the country.

In addition, Interview with PPPD officials, were of the view that that, the Division is not obliged to Monitor and Evaluate Public Procurement System, there were only dealing with policy issues. This was contrary to section 6(2)(b) of Public Procurement Act 2011 which requires Public Procurement Policy Division (PPPD) to monitor, evaluate and review public procurement system in Tanzania.

Furthermore, in interview, audit noted that PPPD, summoned PEs violated public procurement practices as reported by PPRA and CAG. However, there were no procedures and strategies in place which explain the way public procurement system is monitored and evaluated.

(ii) There was no M&E Annual Action Plan at PPPD

Review of documents showed that, PPPD did not have M&E annual action plan which indicated how many, when and how M&E will be conducted within a financial year. This could provide guidance on the execution of M&E. In the interview, PPPD officials indicated that, M&E annual plan usually prepared in line with budget allocated for execution of activities

within division. However, the audit noted that, the division not only lacked M&E annual operation Plan, but the entire annual operation plans for the division.

(iii) There was no Specific Budget line (allocation) for the M&E activities from 2016/17-2019/20

According to section 6(2)(b) M&E was the one of key functions of the division, however, there was not specific line budget to cater for such activities. This implies that, MoFP did not prioritize M&E activities for public procurement in the Country.

As a result, lack of M&E of Procurement by the PPPD made it difficult for the Division to uncover challenges facing PEs in implementing projects including use of FA Procurement. In addition, there were no circulars issued by MoFP relating to implementation of projects through Force Account.

Hence, MoEST and PO-RALG decided to issue circulars on the implementation of projects through FA Procurement. However, three (3) later on May 2020 PPRA, issued guidelines on the way FA is supposed to be implemented.

Furthermore, there were no M&E reports issued by PPPD with regards to implementation of projects through Force Account procurement approach. This implies that, no lesson learnt on the way Force Account projects were implemented. This might hinder the division to perform their legal mandate of analysing procurement challenges, provide advice, guidance, follow up on the implementation of Force Account as required by section 6 (2)(d) of Public Procurement Act of 2011.

Recently, in financial year 2020/21 there was specific budget line to cater for training PPPD staffs on monitoring and evaluation.

4.3 Monitoring and Evaluation of Materials Management not conducted

Section 6(1) of Public Finance Act No. 6 2001, requires MoFP to ensure the effective management of public stores. Furthermore, according to part 6.4 of Public Asset Management Guideline, 2019, MoFP is obliged to formulate and review guidelines and various directives for proper management of assets and conduct physical verification of assets in public entities.

The following subsections present the audit observations on M&E regarding management of materials procured during implementation of projects through Force Account approach.

4.3.1 There was no any Verification Report of Materials Management for Projects Executed through Force Account

Review of documents showed that, there were no documented records to confirm that Government Asset Management Department (GAMD) under MoFP conducted verification of material management for projects implemented through Force Account Procurement Approach.

In the interview with GAMD officials and review of progress reports, it was noted that, GAMD conducted verification during stock taking at the end of financial year at Local Government Authorities (LGAs), Ministry Department and Agencies (MDAs). According to GAMD officials, their main focus was verification and registration of fixed asset and other for special circumstances. The audit did not see any records regarding stocks verified relating to projects through FA Procurement.

4.3.2 There was no Capacity Building on Materials Management during execution of Projects through Force Account

Part 6.4 (xv) of Public Asset Management Guideline, 2019 require GAMD to facilitate and coordinate training on public assets management.

Review of documents showed that, there were no documented records to confirm that Government Asset Management Department (GAMD)

under MoFP conducted capacity building regarding material management during implementation of projects through FA.

In the interview with GAMD officials and review of progress reports, the audit observed that, GAMD planned to conduct capacity building to Officials at Local Government Authorities (LGAs) however, this did not happen. In addition, capacity building activity planned to be undertaken did not indicate if targeted in area relating to projects executed through FA.

4.3.3 No Circular Issued Regarding Management of Materials during Execution of Projects through Force Account

Review of documents showed that, there were no documented records to confirm that GAMD issued a circular or guideline to enable committees involved in implementation of projects through FA to effectively manage materials during execution of projects under newly adopted procurement approach at low level.

Furthermore, audit noted that, not conducting M&E of materials management of projects implemented through Force Account Procurement Approach was attributed to the following factors:

MoFP was unaware of conducting M&E of Materials Management

According to interview, GAMD officials revealed that, the department was not obliged to undertake M&E regarding management of materials during the implementation of projects through Force Account Approach.

As a result, MoFP through GAMD did not take any initiative of monitoring and evaluating the way materials were procured for projects implemented through FA and if were properly managed. This was evidenced by the fact that, GAMD did not have any strategy, action plan and line budget for M&E verification activities regarding materials management for Force Account approach. Also, no capacity building was conducted regarding management.

CHAPTER FIVE

CONCLUSIONS

5.1 Introduction

This chapter provides general and specific conclusions related to the findings on management of projects implemented through FA Procurement as presented in previous chapters. The conclusion covers: procurement and management of building materials during execution of projects; supervision of projects and monitoring and evaluation of projects.

5.2 General Conclusion

Force Account approach for construction and rehabilitation works has been used extensively in recent years with the aim of solving procurement problems such as reducing costs, delay in completion and unsatisfactory quality of construction projects. However, projects implemented through FA Procurement were characterized with questionable competition; no price negotiation; improper management of materials; inadequate and incompetent personnel to supervise the works.

As a result, quality of implemented projects was questionable; and there was non-completion of projects. This jeopardized the achievement of value for money during implementation of construction projects in the education sector.

The observed weaknesses in the procurements, management of building materials, supervision and M&E presented in this report is an indication that control system in place do not properly support effective implementation of projects using FA Procurement.

5.3 Specific Conclusions

The following are specific conclusions:

5.3.1 Ministry of Finance and Planning (MoFP) has not adequately played its Monitoring role

The findings of this report provide evidence that, the Ministry of Finance and Planning (MoFP) did not take any initiative to ensure smooth implementation of projects when the government decided that most of building construction projects to be implemented through FA Procurement. There was no action plan prepared by MoFP to ensure procurement and management of materials are done in a manner that promotes value for money when dealing with procurement and management of building materials.

As a result, procurement of materials was characterized by fictitious competition for quotations issued. Quotations of the same handwriting imply that there was no competition and there was no guarantee that materials were procured at the right price.

In addition, inspection and acceptance of materials were not adequately done which does not provide assurance on whether all materials procured were delivered and used for construction projects. Furthermore, key aspects of materials management were not adhered to from receiving and inspection of materials and recording of necessary approval for receiving and issuing.

5.3.2 PO-RALG has not Capacitated LGAs to handle Projects Implementation through FA.

The number and qualification of technical personnel assigned to supervise the execution of the projects was not adequate. This implies that projects were implemented without proper supervision and guidance.

As a result, no quality control measures were performed such as testing of major items or materials used in construction. This does not provide assurance on the quality of works implemented.

CHAPTER SIX

RECOMMENDATIONS

6.1 Introduction

This chapter provides audit recommendations which are addressed to Ministry of Finance and Planning (MOFP) and President's Office Regional Administration and Local Government Authority (PO-RALG).

The CAG believes that, these recommendations need to be considered if supervision of construction projects implemented using FA is to be better managed in ensuring that the works are timely completed according to agreed quality and at reasonable costs.

6.2 Recommendations to MOFP

MoFP should:

- a) Develop control system that will enhance competition during procurement of building materials in order to achieve economy;
- b) Capacitate entities implementing projects through FA Procurement for effective management of materials;
- c) Liaise with PO-RALG and other MoEST to identify construction projects not completed due to shortage of funds and develop strategies for funding them in order to achieve the intended goals;
- d) Direct PPRA to develop and implement strategies for Monitoring and Evaluating implementation of FA Procurement in order to provide corrective measures. This will include evaluating the effectiveness in applying the issued Force Account Guideline;
- e) Direct PPRA to develop strategies that will ensure that LGAs are capacitated in terms of offering procurement knowledge, and administration of Force Account-based projects; and
- f) Liaise with other responsible Entities to set project value limits and minimum needed resources or cut off points depending on size, nature, and complexity of projects to be implemented through Force Account approach.

6.3 Recommendations to PO-RALG

PO RALG should:

- g) Develop strategies for ensuring that LGAs are capacitated in terms of offering procurement knowledge, administration of Force Account-based projects, relevant required personnel, required tools, and funds for supervision of construction projects;
- h) Ensure that each LGA implementing Force Account project has the capacity which is equivalent to class of the construction company according to Contractors Registration Board; that if the project were to require a class four company to implement project of a certain magnitude then the LGA would need to acquire similar qualification to implement project of the same magnitude;
- i) Ensure that LGAs improve the quality control system in order to ensure that procurement process and all the accompanying documentation are thoroughly checked for compliance;
- j) Develop strategies to safeguards assets installed in school buildings to ensure they are used properly in order to avoid destruction and enhance service life;
- k) Capacitate committees responsible for supervision and implementation of construction projects in terms of supervision;
- l) Ensure that the budget for the project implemented under Force Account includes supervision and monitoring cost that and each Bill of Quantity contain this aspect;
- m) Improve coordination between MOEST to ensure that drawings, estimation, and project information are well shared and communicated;
- n) Strengthen its supervision and inspection to the Artisan to ensure that the Artisan is in full compliance with health and safety requirements as stated in the Contract Documents; and Artisan provide fresh and safe drinking water at the site, toilets for both male and female, first Aids facilities to the Engineer's office in compliance with the requirements of the contract;
- o) Ensure that the financing of buildings or any other school infrastructures should be based one detailed needs Assessment to minimize the risks of investing on structures that are not needed; and

- p) Establish a mechanism to retain a certain amount of project funds for correcting defects that may occur, this will ensure that all completed projects meet the minimum required quality.

6.3 Recommendations to MOEST

MOEST should:

- a) Ensure that the budget for the project implemented under Force Account includes supervision and monitoring cost that for each Bill of Quantity contain this aspect;
- b) Improve its internal control, planning and budgeting system to ensure proper forecasting of requirements through a conditional survey that, services and works are done to minimize variations during implementation of work program;
- c) Improve quality control systems to ensure that the engaged consultants are well monitored,
- d) Establish a mechanism to retain a certain amount of project fund for correcting defect which may occur, this will ensure that all completed projects meet the minimum required quality;
- e) Develop strategies to safeguards assets installed in college or school buildings to ensure that they are used properly in order to avoid destruction and enhance service life;
- f) Ensure that drawings, estimation, and project information are shared and communicated to the implementer of the project at LGA, college and school;
- g) Ensure that funds allocated for construction or rehabilitation of buildings in LGAs are correlated to the established cost of construction in the respective LGAs; and
- h) Ensure that the financing of buildings or any other school infrastructures should be based on detailed needs Assessment to minimize the risks on investing on structure which are not needed.

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²⁷ TPJ, Vol XIII-No-15 of Tuesday 09,2019

APPENDICES

Appendix 1: Comments and Actions to be taken by MoFP; PO-RALG and MoEST

Appendix 1.1: Responses from MoFP

General Comment

Actually, there is no monitoring and evaluation framework for Public Procurement oversight institutions. The Ministry has already imparted knowledge to PPD staff on how to develop monitoring and evaluation framework.

Specific Comment

| No. | Recommendation | Action(s) to be taken | Timeline |
|-----|--|--|----------|
| 1. | Develop control system that will enhance competition during procurement of building materials in order to achieve economy | <ul style="list-style-type: none"> PEs to be instructed to abide with Public Procurement Act (PPA), Cap 410 and guidelines for carrying out works under Force Account issued by PPRA May, 2020. MoFP to conduct an assessment exercise on force account implementation in public projects. | 2021/22 |
| 2. | Capacitate entities implementing projects through FA Procurement for effective management of materials | <ul style="list-style-type: none"> PEs to be trained on how to implement project through Force Account. PPRA to arrange training programme on how to implement project through Force Account | 2021/22 |
| 3. | Liaise with PO RALG and MoEST to identify construction projects not completed due to shortage of funds and develop strategies for funding in order to achieve the intended goals | <ul style="list-style-type: none"> PO-RALG and MoEST to be instructed to identify construction project not completed due to shortage of fund and develop strategies for completion of the project. PPRA to conduct audit on project implemented through Force Account. | 2021/22 |
| 4. | Direct PPRA to develop and implement strategies for Monitoring and Evaluating implementation of FA | PPRA to be instructed to develop and implement strategies for M & E for the project implemented through Force Account | 2021/22 |

| No. | Recommendation | Action(s) to be taken | Timeline |
|-----|--|---|----------|
| | Procurement in order to provide corrective measures; this will include evaluating the effective of the issued Force account guideline | | |
| 5. | Direct PPRA to develop strategies to ensure that LGAs are capacitated in terms of offering procurement knowledge, and administration of force account-based projects | Training program to be arranged by PPRA to include procurement knowledge and administration of project implemented through Force Account. | 2021/22 |
| 6. | Liaise with other responsible Entities to set project value limits and minimum needed resources or cut off points depending on size, nature, and complexity of projects to be implemented through Force Account. | To be address to the committee for reviewing PPA, CAP 410. | 2021/22 |

Appendix 1.2: Responses from PO RALG

General comments

| |
|-----|
| NIL |
|-----|

Specific Comments

| No. | Recommendation | Comment(s) | Action(s) to be taken | Timeline |
|-----|--|--|---|---|
| 1 | Develop strategies to ensure that LGAs are capacitated in terms of offering procurement knowledge, administration of force account-based | Auditor's recommendation noted/adhered | PO-RALG will capacitate PEs on preparation of procurement pan | During every construction/rehabilitation project seminars |

| No. | Recommendation | Comment(s) | Action(s) to be taken | Timeline |
|-----|---|---|--|--|
| | projects, relevant required personnel, required tools, and funds for supervision of construction projects; | | | will be conducted. |
| 2 | Ensure each LGA implementing the force account project has the capacity which is equivalent to class of the construction company according to Contractors Registration Board; that if the project were to require a class four company to implement project of a certain magnitude then the LGA would need to acquire similar qualification to implement the project of the same magnitude; | Auditor's recommendation noted/adhered PO - RALG will set qualification(s) of local Fundis required for a particular works (construction) as similar as Contractor Class limit of project value. | PO - RALG will give directives to RSs and LGAs to make sure that Local Fundis have Capacity as Contractor Class Limit for project value. | The letter will be submitted before the end of April 2021. |
| 3 | Ensure LGAs improve the quality control system in order to ensure that procurement process and all the documentation are thoroughly checked on compliance; | Auditor's recommendation noted/adhered | PO - LARG will develop the M&E plan, Checklist and reporting template for use at all levels. | End of September 2021 |
| 4 | Develop strategies to safeguards assets installed in school buildings to ensure that they are used properly in order to avoid destruction and enhance service life; | Auditor's recommendation noted | PO - RALG will give directives to RSs and LGAs to make sure assets installed in school buildings to ensure that they are used properly in order to avoid destruction and | The letter will be submitted before the end of April 2021. |

| No. | Recommendation | Comment(s) | Action(s) to be taken | Timeline |
|-----|---|--|---|--|
| | | | enhance service life; | |
| 5 | Capacitate committees responsible for supervision and implementation of construction projects in terms of supervision; | Auditor's recommendation noted. | PO - RALG Will mobile fund to train the remained regions. | During every construction, committees responsible for supervision and implementation of construction projects will be capacitated in the coming projects. This is progressive. |
| 6 | Ensure that the budget for the project implemented under force account includes the supervision and monitoring cost that for each Bill of Quantity contain this aspect; | Auditor's recommendation noted/adhered PO - RALG gave directives to RSs and LGAs to use funds for supervision of project through letter with ref: CAB. 39/156/01/24 dated 10 th July, 2020 | For the coming projects, supervision and monitoring will be included in BOQ/schedule of materials | Continuous, in coming project. |
| 7 | Improve coordination between MOEST to ensure that drawings, estimation, and project information are well shared and communicated; | Auditor's recommendation noted. | Coordination between MOEST and PO-RALG has been practised yet. | Continuous, in every project. End of September 2021 |

| No. | Recommendation | Comment(s) | Action(s) to be taken | Timeline |
|-----|--|---|---|---|
| 8 | Strengthen its supervision and inspection to the contractor to ensure that the Contractor is in full compliance with health and safety requirements as stated in the Contract Documents; and contractor provide fresh and safe drinking water at the site, toilets for both male and female, first Aids facilities to the Engineer's office in compliance with the requirements of the contract; | Constructions of Teaching Colleges under MOEST were done by contractors. During construction of Schools by force account approach PO-RALG employed Local Fundis and not employ Contractors. | PO-RALG will insist Local Fundis to adhere health and safety requirements as required. | PO - RALG will give directives to RSs and LGAs to make sure health and safety issues adhered. The letter will be submitted before the end of April 2021. |
| 9 | Ensure that the financing of buildings or any other school infrastructures should be based one detailed needs Assessment to minimize the risks on investing on structure which are not needed; | Auditor's recommendation noted/adhered Need assessment was done before designing the current standard drawings. These standard drawings have included all the needed specifications. Together with the standard drawings, schedule of materials was also developed to help LGAs to identify the needed resources. | PO - RALG will review the current drawings and schedule of materials to accommodate inputs from various stakeholders including the gaps identified by NAO during performance audit. | Continuous , in every project. End of January 2022. |
| 10 | Establish a mechanism to retain a certain amount of project fund for correcting | Auditor's recommendation noted/adhered | Maximum of 10% of total construction cost to be | Continuous , in every project. |

| No. | Recommendation | Comment(s) | Action(s) to be taken | Timeline |
|-----|---|------------|---|----------|
| | defect which may occur, this will ensure that all completed projects meet the minimum required quality. | | retain/allocated during preparation of schedule of material for defects correction. | |

Appendix 1.3: Responses from MoEST

General comment

The Ministry will continue to work on all recommendations made by auditors to ensure that funds sent to colleges and schools for renovation and construction through force account bring positive results to the education sector.

Specific Comments

| No. | Recommendation | Comment(s) | Action(s) to be taken | Timeline |
|-----|--|--|---|--------------------------|
| 1 | Ensure that the budget for the project implemented under force account includes the supervision and monitoring cost that for each Bill of Quantity contain this aspect; | The Ministry has received Auditor's recommendations and will act upon. | The Ministry will ensure that there is a budget for inspection and management in each construction Project. | Financial Year 2021/2022 |
| 2 | Improve its internal control, planning and budgeting system to ensure proper forecasting of requirements through a conditional survey that, services and works is done to minimize the variations during implementation of work program; | The ministry is receiving the recommendations of the auditors, there has also been a challenge of what is going to be done in a conditional survey sometimes it takes a long time for implementation to start so the initial costs changes | The Ministry will ensure that once the conditional survey is carried out, the implementation of the work begins immediately to avoid cost overruns. | Financial Year 2021/2022 |
| 3 | Improve quality control systems to ensure that the engaged consultants are well monitored, | The Ministry has received these comments and has also started working on them by terminating the | The Ministry has acted on it by replacing MUST's consultant from overseeing the | Financial Year 2021/2022 |

| No. | Recommendation | Comment(s) | Action(s) to be taken | Timeline |
|-----|--|---|---|--------------------------|
| | | contracts of some consultants. | Ministry's work and will enhance monitoring and continue to do so for consultants who fail to supervise the construction or renovation work. | |
| 4 | Establish a mechanism to retain a certain amount of project fund for correcting defects which may occur, this will ensure that all completed projects meet the minimum required quality; | The Ministry has received the recommendations of the auditors and promised to work on them, and this money for the defect Liability period after the completion of the work / project has been deducted from every request/certificate for work done by the contractor. | The Ministry will continue to deduct these funds so that they can cover the identified snags after the contractor has handed over the work. | Financial Year 2021/2022 |
| 5 | Develop strategies to safeguard assets installed in college or school buildings to ensure that they are used properly in order to avoid destruction and enhance service life; | The Ministry has received the recommendations of the Auditors and will continue to ensure that the principals of colleges, schools properly manage the use of buildings, equipments to avoid destruction and enhance service life. | The Ministry will continue to provide directives to the principals of colleges, schools and staff to ensure that equipment, buildings are in good working order | July, 2021 |

| No. | Recommendation | Comment(s) | Action(s) to be taken | Timeline |
|-----|--|---|---|--------------------------|
| 6 | Ensure that drawings, estimation, and project information are shared and communicated to the implementor of the project at LGA, college and school; | The Ministry receives Auditors' recommendations and has been sending drawings, estimation and project information to all areas of colleges and schools undergoing renovation or construction. | The Ministry will ensure that drawings, estimation and project information are known to all implementers of various projects implemented under force account. | Financial Year 2021/2022 |
| 7 | Ensure that funds allocated for construction or rehabilitation of buildings in LGAs are correlated to the established cost of construction in the respective LGAs; | The Ministry is receiving the recommendations of the auditors for sending actual funds in implementing various projects to minimize the disbursement of frate rate amount to all buildings in a country. | The Ministry will work with the NCC to find out the actual costs of each Region, District and other areas to find out the real cost of labor/ construction costs. | Financial Year 2021/2022 |
| 8 | Ensure that the financing of buildings or any other school infrastructures should be based one detailed needs Assessment to minimize the risks on investing on structure which are not needed. | The Ministry has received the recommendations of the auditors and has also been receiving the recommendations of those who are sent for renovation / construction funds for what they need to avoid investing in unnecessary needs. | The Ministry will continue to ensure that it conducts an in-depth analysis of the actual needs of colleges, schools in order to avoid investing in inappropriate area which may result in loss of | Financial Year 2021/2022 |

| No. | Recommendation | Comment(s) | Action(s) to be taken | Timeline |
|-----|----------------|------------|-----------------------|----------|
| | | | government funds | |

Appendix 2: Audit and Sub Audit Questions

| | |
|--------------------------|--|
| Audit Question 1 | Does MoFP adequately monitor the procurement and management of building materials during implementation of projects under FA procurement? |
| <i>Sub-question 1.1</i> | <i>Does MoFP monitor system for procurement for projects implemented through FA procurement?</i> |
| <i>Sub-question 1.2</i> | <i>Does MoFP monitor the way materials are managed during projects implementation through FA Procurement?</i> |
| Audit Question 2 | Does PO-RALG adequately capacitate LGAs to undertake projects FA procurement? |
| <i>Sub-questions 2.1</i> | <i>Does PO RALG allocate technical personnel capable to supervise daily implementation of projects through FA procurement?</i> |
| <i>Sub-questions 2.2</i> | <i>Does PO RALG ensure technical personnel responsible for implementing projects are equipped with necessary facilities such as vehicles or motorcycle?</i> |
| Audit Question 3 | Do LGAs efficiently manage procurement of building materials during execution of Force Account projects? <i>(Based on this question, the team will establish case studies from selected PEs and asses their procurement performance and materials management)</i> |
| <i>Sub-question 3.1</i> | <i>Are procurement of materials well managed to ensure value for money is attained during implementation of projects through FA Procurement?</i> |
| <i>Sub-question 3.2</i> | <i>Are there effective mechanisms to ensure materials procured are well managed to achieve the intended objective?</i> |

Appendix 3: Site Photos of the Visited Projects



Photo 3.6: Waste pipe having leakage at one of the toilets at Klerruu TC



Photo 3.7: Stagnation of Water in one of the toilets at Klerruu TTC



Photo 3.8: Ring beam having honey combs at multipurpose hall building at Kitangili SS In Nzega TC.



Photo 3.9: Columns of multipurpose hall at Kitangili SS un-straightened as required in Nzega TC.



Photo 3.10: Wall tiles at Laboratory room removed off at Simiyu SS in Bariadi TC.



Photo 3.11: Gas system pipes hanging at one of the Laboratory rooms at Simiyu SS in Bariadi TC.



Photo 3.12: Floor cracking in one of the hostel building at Mwanzoli SS in Nzega TC.



Photo 3.13: Floor cracking at dhobi area of Hostel building at Bulunde SS in Nzega TC.



Photo 3.14: Door frame termite attack at Mpwapwa TTC.



Photo 3.15: Door frame termite attack at Mpwapwa TTC.



Photo 3.16: Roof trusses members jointed with unsatisfactory number of nails one or two



Photo 3.17: Roof trusses members jointed with unsatisfactory number of nails, one or two

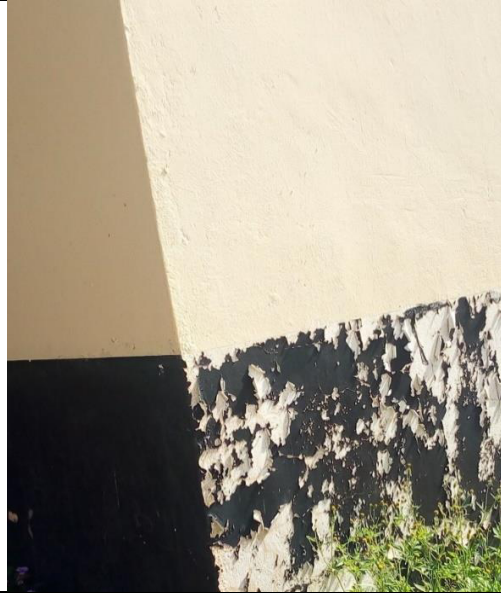


Photo 3.18: Peeling off of Bituminous Painting at foundation in one of the building at Mpwapwa TTC.



Photo 3.19: Peeling off of internal painting in one of the hostel building at Klerruu TTC.



Photo 3.20: Electrical conductor or wire is bare at a switch near fire extinguisher in one of the buildings at Mpwapwa TTC.



Photo 3.21: Switch left open in meeting room of Nachingwea SQA building.



Photo 3.22: Improper usage and mishandling of toilets facilities at Berege SS in Mpwapwa DC.

Photo 3.23: Floor cracks at Berege SS in Mpwapwa DC.



Photo 3.24: Unsustainability of water infrastructure: 2 out of 4 numbers of water corks had been removed at Mpwapwa TTC in Mpwapwa DC.

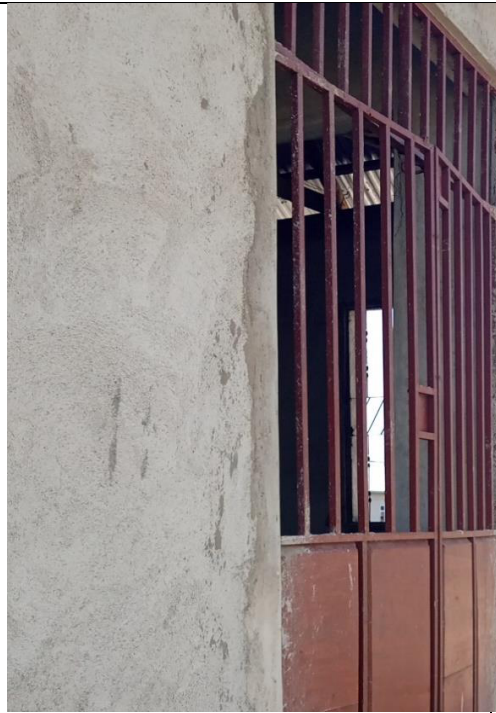


Photo 3.25: Hostel door grilles specification concern at Simiyu SS in Bariadi TC.



Photo 3.26: Hostel window grilles specification concern at Simiyu SS in Bariadi TC.



Photo 3.27: Floor cracking in one of the classrooms at Sima B SS in Bariadi TC



Photo 3.28: steel door material at toilets of Sima B SS in Bariadi TC



Photo 3.29: improper wire connection at Kidinda PS in Bariadi TC.



Photo 3.30: Floor crack in one of the classrooms at Tagamenda SS in Iringa MC.



Photo 3.31: Water systems not functioning at Simiyu SS in Bariadi CC



Photo 3.32: Floor tiles at the toilet area of the hostel at Nachingwea Girls SS not well grouted.



Photo 3.33: Toilet door specification concern at Berege SS



Photo 3.34: Wall crack at hostel building at Mazae Hostel Building



Photo 3.35: Wall tiles of Laboratory tables peeled off