



THE UNITED REPUBLIC OF TANZANIA NATIONAL AUDIT OFFICE



ISO 9001:2015 Certified

PERFORMANCE AUDIT ON DEVELOPMENT, MONITORING AND EVALUATION OF COMPETENCY OF THE STAFF IN THE PUBLIC SECTOR

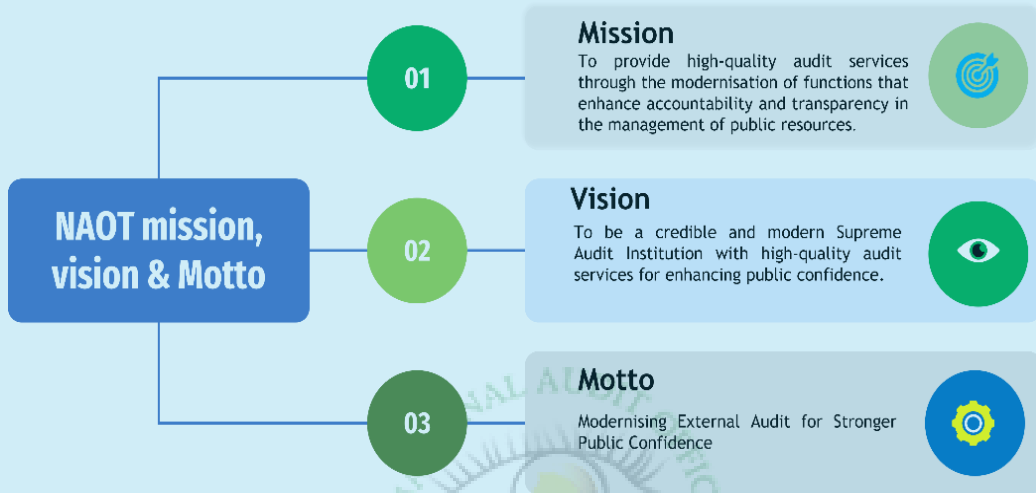


**CONTROLLER AND AUDITOR GENERAL
MARCH, 2024**



About the National Audit Office

The statutory mandate and responsibilities of the Controller and Auditor General are provided under Article 143 of the Constitution of the United Republic of Tanzania, 1977 and in Section 10 (1) of the Public Audit Act, Cap 418.



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PREFACE



Section 28 of the Public Audit Act, CAP 418 gives mandate to the Controller and Auditor General to carry out Performance Audit (Value-for-Money Audit) to establish the economy, efficiency and effectiveness of any expenditure or use of resources in the Ministries, Departments and Agencies (MDAs), Local Government Authorities (LGAs) and Public Authorities and Other Bodies which involves enquiring, examining, investigating and reporting, as deemed necessary under the circumstances.

I have the honour to submit to Her Excellency, Hon. Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania, and through her to the Parliament, the Performance Development, Monitoring and Evaluation of Competency of staff in Public Sector.

The report contains findings, conclusions and recommendations that are directed to the President's Office - Public Service Management and Good Governance (PO-PSMGG). PO-PSMGG had the opportunity to scrutinize and comment on the factual contents of the report. I wish to acknowledge that discussions with the auditee were useful and constructive.

My Office intends to conduct a follow-up at an appropriate time regarding actions taken by the audited entity concerning the recommendations in this report.

I would like to thank my staff for their commitment to preparing this report. I also acknowledge the audited entity for its cooperation with my office, which has facilitated the timely completion of the audit.

A handwritten signature in green ink, appearing to read 'Charles E. Kichere', with a large, sweeping flourish underneath.

Charles E. Kichere
Controller and Auditor General
Dodoma, United Republic of Tanzania
March, 2024

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LIST OF ABBREVIATIONS AND ACRONYMS

BSC	Balance Score Card
CSOs	Civil Society Organizations
CC	City Council
eHRP	electronic Human Resource Planning system
ERB	Engineers Registration Board
FYDP	Five-Year Development Plan
ILO	International Labour Organization
ISSAIs	International Standards of Supreme Audit Institutions
KPIs	Key Performance Indicators
LGAs	Local Government Authorities
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MoF	Ministry of Finance
MoW	Ministry of Water
NSGRP	National Strategy for Growth and Reduction of Poverty
OPRAS	Open Performance Review and Appraisal System
PEPMIS	Public Employees Performance Management Information System
PIPMIS	Public Institutions Performance Management Information System
PMS	Performance Management System
PO - PSMGG	President's Office - Public Service Management and Good Governance
PO-PSRS	President's Office Public Service Recruitment Secretariat
PSC	Public Service Commission
PSRP	Public Service Reform Program
PSSSF	Public Service Social Security Fund
QSC	Qualifications, Skills or Competencies
TPSC	Tanzania Public Service College
TNA	Training Needs Assessment

DEFINITION OF TERMS

Attitude

A feeling, belief, or opinion of approval or disapproval towards something.

Behaviour

Behaviour is an action or reaction that occurs in response to an event or internal stimuli.

A way of acting with respect to others, and it can change.

Competency

Combination of skills, knowledge, and behaviours that lead to effective performance on the job are important for the success of the public institutions in achieving institutional effectiveness, as well as the success of individual employees.

Competence

Capability to apply or use the set of related knowledge, skills, behaviour, and attitude required to successfully perform 'critical work functions' or tasks in a defined work setting.

Competency Framework

A tool that supports the achievement of performance excellence in an organisation by providing an inventory of expected behaviours, knowledge, skills and attitudes that are applied to multiple organisational roles.

Core competencies

They are a set of related knowledge, skills, and abilities that result in essential behaviours expected from those working for the organization.

Knowledge

Refers to the set of intuition, reasoning, insights, and experiences related to technology, products, processes, customers, markets, and competition that enables effective action.

Leadership competencies

Are a set of skills, attitudes and behaviours which apply to employees with management responsibilities.

Technical Competencies

A set of knowledge and skills required to perform specific tasks, jobs, or functions within a particular field or industry.



EXECUTIVE SUMMARY

Development, monitoring, and evaluation of staff competency in the public sector are not innovations or trends but overall good practices to adopt. Employee competency assessments have been around long enough to have withstood the test of time and have proven to be very useful tools for the human resources professional's toolbox. Employee competencies are a list of knowledge, skills, attitudes and behaviours that are specific and well-defined and are used to layout an organization's performance expectations for a job or the organization's culture as a whole.

The objective of the audit was to determine whether the President's Office - Public Service Management and Good Governance (PO-PSMGG) effectively managed the development, monitoring and performance evaluation of staff competency to increase staff efficiency in public service delivery.

Main Audit Findings

Ineffective Identification and Analysis of Competency Gaps in the Public Institutions

The audit noted inadequate plans for competency gap identification. This is evident as only four of the ten visited institutions have included training needs assessments (TNA) in their strategic plan. The remaining six institutions did not include that. A further assessment found that three institutions included training needs assessment in their annual business plans, while the remaining seven institutions did not. Four institutions (PSSSF, TRA, TPA and TPSC) included the competency needs assessment in other plans, including capacity building or training plans and open performance appraisal and review reports, which were done annually. On the other hand, TPSC included them in their human resource development plan to guide training for academic and non-academic staff.

The audit found inadequate identification and analysis of the human resource gap, particularly the competence gaps (qualitative gaps). The analysis of the training needs assessments submitted from the visited public institutions found that the TNAs commonly undertook individual needs analysis and less organizational needs analysis. Additionally, there was no

benchmarking of available capacity against the required capacity at both individual and institutional levels. The analyzed TNAs reported only the required needs with no benchmarking as per the requirement of the TNA manual.

Ineffective Development of Skills Development Programs and Plans

The audit noted that public institutions did not sufficiently prepare capacity-building programs and training plans as per the requirements of the public service regulations. The audit found that five visited public institutions, namely TPSC, MoF, PSSSF, PSRS and MoW, had prepared medium-term capacity-building programs covering a period of three years. These programs included a detailed assessment and analysis of training needs and developed capacity-building plans based on the programs. A deeper analysis showed that Mtwara Municipal Council and Pangani District Council had not prepared such programs; they had only prepared the annual training plans. Further interviews revealed a low awareness among the staff responsible for managing training activities in the visited public institutions regarding the requirement to develop capacity-building programs and training plans.

As a result, the absence of effective capacity-building programs rendered the training activities ineffective and did not yield the required outcomes. Preparing training plans which were not part of comprehensive programs did not provide room for merging the training needs into strategic plans, which ultimately deprived training activities of effective resource allocation.

The audit also found that stakeholders were not engaged adequately in developing capacity-building programs. Generally, only two of the five major stakeholders were involved in the development of capacity-building plans. The commonly engaged stakeholders are the supervisors and employees. This was observed to be the practise in all of the ten (10) visited institutions.

As a result, the developed plans did not address the actual needs of the sector as per the current market demand to a great extent. This makes the training conducted not sufficiently relevant in the current marketplace and does not address the truly identified competence gaps aimed at solving the performance challenges public servants encounter.

Inadequate implementation of capacity-building programs to enhance staff competency

The audit noted inadequate action plans for implementing capacity-building programs to enhance staff competency, whereby some public institutions did not implement all planned capacity-building programs. TRA and Pangani District Council failed to submit their capacity-building programs implementation reports. However, some public institutions implemented capacity-building programs by more than 100%. These public institutions included PSSF and TPA, which implemented 113% and 106% of planned capacity-building programs, respectively.

The ineffective implementation of the action plans was caused by low prioritisation by the institutions when implementing them. The low prioritisation resulted from an inadequate assessment of the value accrued from their staff in terms of improved performance. As a result of not realising the value, they ended up allocating fewer resources to invest in the capacity building of their staff.

The audit noted insufficient resource allocation to enable the implementation of capacity-building plans or programs in the public sector. All ten audited public institutions have shown that the funds allocated for capacity-building programs were insufficient to meet the institutions' requirements. On average, only 3% of the total funds were utilized on capacity-building programs for selected institutions. The highest percentage was 7.8% at PSRS, and the lowest was 0.1% at Mikindani Municipal Council in Mtwara Region. Underfunding was more prevalent because the commitment to capacity building was given a lower priority compared to other competing priorities. Insufficient funds for capacity

building resulted from allocated funds being redirected to other competing areas.

The audit revealed limited models for implementing capacity-building programs. It was noted that all ten (10) visited institutions preferred using classroom training as a model for implementing capacity-building programs over other models such as job rotation, certifications classes such as Certified Public Accountants and Professional Engineers, acting on positions, practical model (Workshop), mentoring, counselling, study tours, forums and experience sharing. Seventy-four per cent (74%) of all capacity-building undertakings were implemented via class training. In addition, some capacity-building implementation models were not in the implementation report. For instance, none out of ten (10) selected institutions indicated acting on positions as a capacity-building model in their implementation report.

The audit noted that the implemented capacity-building programs do not address organizational competency needs. The analysis indicated that 72% of all capacity-building interventions implemented in the ten (10) visited public institutions addressed technical competencies, while 19% addressed leadership competencies. The remaining 9% of all capacity-building interventions implemented in public institutions were addressing core competencies. As a result, there is a potential risk that organizations will not meet their established training objectives.

Ineffective Performance Management System

The audit noted variations in the application of performance management systems within public institutions. Different performance management systems were used to assess employees' performance in the visited entities. Four major categories of performance management systems were used in the Government, and every system had a different performance evaluation algorithm. Some Public institutions were using the original OPRAS system, which is being transitioned; some of the institutions used the modified OPRAS system with newly added features from the original OPRAS, and others modified performance score algorithms, while other institutions used

the Balanced Score Card (BSC), where the performance and scores evaluation uses algorithms different from the OPRAS or PEPMIS/PIPMIS.

The audit found ineffective integration of performance management systems with other human resources parameters among the visited organizations. The performance appraisals were only done as part of the activity within an organization, and the results of the performance appraisals were used in a very limited manner in other human resource or administrative matters. The audit found that the Performance Management System (PMS) has a limited influence on the government in key human resource management matters. There was no effective completion of the PMS, except for a few in professional positions who would do so if it could lead to promotions. In some cases, promotions relied on commitment letters from the respective institutions to the PO-PSMGG rather than a thorough evaluation process.

Ineffective performance measurement tools were attributed to various factors. One of the causes is the insufficient awareness among staff regarding the importance of performance evaluation tools and weak coordination between the Monitoring and Evaluation (M&E) sections, which are present in the visited institutions. Lack of coordination hindered the seamless integration of performance evaluation processes across different departments. Resistance to change within the organizational culture is another factor that can impede the effectiveness of performance measurement tools.

As a result, the inherited weaknesses affect the quality of the performance evaluation results, affecting the overall objective performance evaluation among the institutions and individuals. The risks of obtaining doubtful or unfair performance evaluations may negatively affect the government's objective of ensuring efficient and effective public service delivery.

Audit Conclusion

The audit concludes that generally, public institutions have not effectively undertaken the development, monitoring and evaluation of staff competency in the public sector under the oversight of the President's

Office - Public Service Management and Good Governance. Despite efforts that public institutions have undertaken to develop staff competency, measures that have been adopted have not been effective in addressing competency gaps existing among public employees.

The monitoring of staff competency is not sufficiently achieved as prerequisite conditions to enable staff monitoring have not been met to enable sufficient staff oversight and profiling. There have been an insufficient number of tools to evaluate the competency of staff before or after capacity-building interventions within public institutions. Public institutions require innovative and different approaches to competency and capacity-building programs that will enhance the competency of public employees and enable efficient public service delivery.

Recommendations to the President's Office - Public Service Management and Good Governance

The Management of the President's Office - Public Service Management and Good Governance is urged to:

- a) Review the algorithms or procedures of the current PEPMIS/PIPMIS to ensure that public corporations that operate in highly competitive industries with different systems of rewards and sanctions have their own customized performance management system;
- b) Establish measures to ensure that each public institution has adequate plans for competency gap identification to fill the said gaps and attain a workforce with the skills and knowledge, attitude and behaviour needed to meet current and future challenges of public institutions;
- c) Ensure that performance management systems for different categories of public institutions are harmonized and customized to their operating environment to generate a fair and just performance measurement that instils better performance culture;

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- d) Review and upgrade the current public service training policy into a more comprehensive capacity-building policy for the public service, which shall comprise all currently implemented and potentially relevant capacity-building initiatives in the public sector; and
 - e) Adequately review the developed capacity-building plans before putting them into practice to ensure the developed plans match the identified capacity gaps and aim to solve the identified performance challenges.



CHAPTER ONE

INTRODUCTION

1.1 Background of the Audit

Development, monitoring, and evaluation of staff competency in the public sector are not innovative trends but good practices. Employee competency is among the important concepts in human resource management. Employee competencies include a list of skills and behaviours that are specific and well-defined, and they are used to layout an organization's performance expectations for a job or the organization's culture as a whole. They can be integrated into performance appraisals, hiring practices, succession planning, on boarding orientations, and other forms of employee communication (Training Policy for the Tanzania Public Services, 2013).

As part of the development of staff competency, the government started initiatives for human resource development in the public sector since independence in 1961. These initiatives could be divided into three periods, namely, the Africanisation period (1961-1980), the Structural Adjustment period (1980 - 1990) and the Reforms period (1990 - to date). In 1995, the government decided to develop a vision for 2025 as a long-term vision for the country's development, including human resource development.

To achieve Vision 2025 and respond to the prolonged resources and services crisis that hit the country hardest in the 1980s, the government found it important to formulate its policies to cope with the situation. After launching the Development Vision 2025 in the year 2000, the government of Tanzania implemented employment policies that emphasized the competency of public employees. These policies have been implemented through various programs over the years.

One of the major programs was the Public Service Reform Program (PSRP), which was introduced in 2000 to improve public service delivery and policy management by strengthening institutional capacity, improving human resource management, and enhancing service delivery. Since then, various guiding documents and regulations have been developed to support the

implementation of the PSRP and further emphasize the importance of competency in the public service. These guiding documents include the Public Service Management and Employment Policy of 2003, the Public Service Training Policy of 2007 and 2023, and the Code of Ethics and Conduct for Public Service of 2005 and 2023.

In 2004, the government of Tanzania adopted the Open Performance Review and Appraisal System (OPRAS) for all Ministries, Departments and Agencies (MDAs), Regional Secretariats and Local Government Authorities (LGAs) to enable proper and more effective use of human capital. However, the introduced performance management system faced growing challenges and criticism regarding its effectiveness in measuring staff performance in the public sector.

In May 2022, the President of the United Republic of Tanzania, Her Excellency Hon. Dr. Samia Suluhu Hassan, having realized the concerns around the then OPRAS system, instructed PO-PSMGG to develop and introduce a new system of measuring staff performance that will be more realistic and promote the culture of performance.

1.2 The Motivation for Audit

The government has made efforts to transform public service delivery through the development, monitoring, and evaluation of staff competency initiatives geared towards enhancing staff competency and performance levels. However, there are still persistent weaknesses in human resource management within the government that need sufficient attention to enhance efficient public service delivery. This is one of the key driving forces for the Tanzania Development Vision 2025. Below are the problem indicators that called for the need to conduct an audit on developing, monitoring, and evaluating the staff's competency in the government's public sector.

(i) Limited Capacity-Building Programs

Order 102(1) of the Public Service Standing Orders (2009) requires public institutions to ensure that public servants undergo capacity-building programmes to develop individual skills required for performing their

present or future jobs. These programmes include internships, relevant training, job attachment, and workshops to prepare employees to perform their roles most efficiently.

However, public sector employees are not going through sufficient capacity-building programmes to enhance their job skills or acquire new knowledge to improve public service delivery. It is estimated that only 46% of public sector employees get the opportunity to undergo at least one training program within three years in the public sector as per the requirement of staff training policies. This was contributed by factors such as inadequate budget for training and a lack of clear organizational policies.¹

(ii) Inadequate Competency Profiling among Public Institutions

Para 2.1.3 of the Human Resource Planning Manual for Public Service in Tanzania (2010) requires public institutions to conduct gap analysis and ultimately develop competency profiles and frameworks for their public servants. The competency framework shall comprise a set of competencies applied to groups of positions, such as occupational and function-specific groups. Competency profiles are expected to facilitate the integration of different human resources activities such as recruitment, training and development, and performance evaluation. Additionally, the National Five-Year Development Plan 2021/22-2025/26, titled “Realizing Competitiveness and Industrialization of Human Development”, emphasized the importance of competency of human resources as one of the factors that influence the level of competitiveness of the economy.

According to Marijani², the Tanzania Public Service Leadership Competency Framework is inadequate and does not sufficiently address the needs of the public sector. First, the study pinpointed the absence of an overall

¹Evangelina E, *The Impact of Training on Staff Performance in Public Sector Organizations* (2018).

² Marijani.R, *Public Service Leadership Competency Framework (PSLSC: Is it a holy grail of service delivery?*. Tanzania Public Service College-Tabora- Tanzania (2017).

competency framework for the whole public sector in Tanzania. Secondly, the study challenged the existing leadership framework as it borrowed from other frameworks to represent occupations characterized by a high degree of uncertainty and unpredictability, and it customized work roles rather than presented them holistically.

As a result of an inadequate competency framework for public servants other than those serving leadership roles, public institutions cannot objectively establish the gap and appropriate interventions for improving public staff competency. Ultimately, the gap has created room for promotions and demotions based on subjective opinions from subordinates and other appointing authorities.

(iii)Lack of Objective Performance Evaluation

Order D.62 of Standing Orders for the Public Service (2009) requires all organizations to use an open performance appraisal system as stipulated in the Public Service Act, CAP. 298, and the Public Service Regulations (2022). Performance appraisal systems may vary between organizations depending on the nature of their functions and between levels, but they shall have to be open and transparent.

However, experience has shown that performance evaluations in the public sector are subjective and lack transparency. According to the United Nations Performance Report³, objective evaluation of staff competency should be based on results rather than processes. For instance, a performance report review found that many health workers in Tanzania do not understand how to use the performance management system in place (Open Performance Review and Appraisal System - OPRAS). Not understanding how to use the system means that even the evaluated system's information gives decision-makers unrealistic results. Furthermore, participatory goal setting was challenging since employees were not given

³ United Nations Performance Management Report (2017)

sufficient autonomy to identify and discuss what they were supposed to achieve.

(iv) Low Human Resource Development Index

Sustainable Development Goal 8 from UN General Assembly Resolution 70/1 (2015) requires countries to deploy measures to promote inclusive and sustainable economic growth and full productive employment. To achieve these specific objectives, countries are required to ensure that their human resources are competent and productive. This is achieved through effective capacity-building measures and interventions to build a strong and efficient labour force.

A review of the Global Human Resource Development report issued in 2021 by the United Nations Development Program revealed that Tanzania has not achieved sufficient human resource development. The report placed Tanzania among the countries with low human development, ranking it 160 among 184 countries in the world, with an index of 0.549. Narrations from the same report pointed out that countries with low Human Development Index (HDI) are characterized by, among other things, broadly low levels of knowledge for their citizens, which is a prerequisite for contributing to the Gross National Income (GNI).

As a result of the low human development index, the aggregate labour force available in the labour market for both public and private institutions becomes predominantly characterized by insufficient skills and inadequate competencies to undertake roles in the public and private sectors with high proficiency.

1.3 Audit Design

1.3.1 Audit Objective

The objective of the audit was to determine whether the President's Office - Public Service Management and Good Governance (PO-PSMGG) has effectively managed the development, monitoring and performance evaluation of staff competency to increase staff efficiency in public service delivery.

Specifically, the audit assessed whether PO-PSMGG ensured that Public Institutions:

- (a) Effectively identify gaps in staff competency;
- (b) Effectively develop staff capacity-building plans or programmes;
- (c) Adequately Implement developed capacity-building programs to enhance staff competency; and
- (d) Adequately measure the performance of the staff in the public sector.

1.3.2 Scope of the Audit

The main audited entity was the President's Office - Public Service Management and Good Governance (PO-PSMGG). The President's Office - Public Service Management and Good Governance is mandated to oversee the development, monitoring and evaluation of staff competency in the public service sector.

The audit focused on assessing the effectiveness of the PO-PSMGG in ensuring that public institutions identify gaps in staff competency, develop capacity-building programs, implement capacity-building plans and measure the performance of their staff.

Concerning the identification of gaps, the audit focused on assessing the presence of action plans for the identification of gaps, the extent of analysis considering current and future competency needs and assessing whether the developed needs for the competency of staff are concurrent with the organizational roles and functions.

Regarding the development of capacity-building programs, the audit assessed whether the developed plans or programs are based on the identified gaps, whether the developed programs are based on analysed challenges and if stakeholders were adequately engaged during the development of capacity-building programs to enhance staff competency.

Regarding the implementation of capacity-building programs, the audit checked the presence of effective action plans and whether there is an

effective resource allocation for enabling the implementation of capacity-building plans or programs. The audit also checked whether there are effective models for implementing capacity-building programs and if the implemented programs address organizational competency needs. Lastly, the audit checked whether effective evaluations and corrective actions were taken during the implementation of the capacity-building program.

Regarding the measurement of staff performance, the audit assessed whether there were effective staff performance measuring tools in public institutions and whether the available tools were coherent with organisational roles and functions. The audit also assessed the extent of the application of performance measurement tools for staff in the public sector and whether the results of reviews were effectively communicated as feedback to staff. The audit also checked whether rewards and corrective actions were taken due to the outcome of staff performance evaluation in public institutions.

The audit covered a period of five financial years from 2018/19 up to 2022/23. The selected span of years enabled the auditors to gather sufficient evidence to assess the performance of PO-PSMGG and the selected public institutions and be able to provide actionable recommendations to PO-PSMGG.

1.4 Assessment Criteria

The criteria for main audit questions and sub-questions were based on the laws, guidelines, manuals, plans, reports, and best practices acceptable in management for developing, monitoring, and evaluating staff competency in the public sector. The following key assessment criteria for each specific audit objective were used to assess the performance of PO-PSMGG and MDAs in developing, monitoring and evaluating staff competency in the public sector:

a) Identification of Gaps in Staff Competency

Para 6.1.2 (i) of Training Policy for the Tanzania Public Service, 2013, states, “All Ministries, Independent Departments, Local Government Authorities (LGAs), Regional Secretariats, and other Government Agencies are responsible for developing their staff. Para 2.2.3 of the Management Standard Checklist for the Public Service, 2011 requires the identification of performance gaps and the development of action plans to address them.

b) Development of Capacity-Building Plans or Programmes

Regulation 25 (d) (2) of Public Service Regulations (2022) requires every Chief Executive Officer to ensure that the individual staff's performance contracts are supported by skills development programs to enhance public servants' competencies in the performance of their jobs.

Para 6.1.2 (ii) of Training Policy for The Tanzania Public Service, 2013, requires Public Service Organizations to prepare Training Plans and Budgets. All ministries, independent departments, local government authorities (LGAs), regional secretariats, and other government agencies were responsible for developing their staff.

Para 2.2.2 of Management Standards Checklist, 2011 requires public institutions to develop medium-term training and development plans that shall cover both technical and managerial skills.

c) Implementation of Capacity-Building Plans to Enhance Staff Competency

Para 6.1.2 (iii) of the Training Policy for The Tanzania Public Service, 2013, states that public service organizations are required to implement, monitor, and evaluate their training interventions and develop and maintain skills inventories for their staff. Para 6.2.1 of Training Policy for the Tanzania Public Service, 2013 clearly emphasizes that training monitoring and evaluation systems are supposed to be designed to track and keep records on implementing the public service training policy.

Para 6.2.2 of Training Policy for the Tanzania Public Service, 2013 further explains that the training monitoring system is supposed to ensure the existence of performance indicators and targets to indicate the roadmap of the training policy implementation. Nevertheless, the system is supposed to indicate a framework that ensures timely collection, analysis and sharing of training information.

Para 6.2.3 of Training Policy for the Tanzania Public Service, 2013 also requires that the training evaluation system be designed to define the evaluation's purpose, types and frequencies. Similarly, it is supposed to set systems for sharing evaluation findings with stakeholders to improve the implementation of this policy.

d) Measuring the Performance of Staff

Regulation 22 (1) of Public Service Regulations 2022 states that “there shall be a performance contract system as a government performance management system tool”. This system is necessary to facilitate performance planning, strategy execution, monitoring, reviews, assessments and feedback while implementing annual objectives and targets at institutional and individual public servant levels.

Regulation 25 (4) of Public Service Regulations 2022 requires every public institution to establish qualitative and quantitative performance benchmarks and service delivery standards to inform the annual objectives, targets and performance metrics in the individual staff performance contract.

Regulation 26 (1) of Public Service Regulations 2022 requires that every public institution submit open performance review and appraisal implementation reports at the beginning of the year after staff and their respective supervisors have signed the individual performance contracts. They should do this mid-year after staff and their respective supervisors have conducted a review on the implementation of the staff individual performance contracts and at the end of the year after conducting an annual performance assessment of the staff individual performance contracts.

Regulation 25 (3) of Public Service Regulations 2022 requires that every public servant is given feedback by their immediate supervisors on the progress of their performance against the planned objectives and set targets. The feedback should also include advice and support to improve their performance.

1.5 Sampling, Methods for Data Collection and Analysis

The audit used various methods for sampling, data collection and analysis.

1.5.1 Sampling

Based on the audit design, data collection sources were identified as the public institutions to be visited and various parameters of staff competency to be assessed. The selection of the institutions to be covered was based on three factors: the sector they belonged to, the category of public institution, and the number of employees in the respective public institution.

The four sectors, namely administrative, economic, social and service, were identified, and ten entities from various categories of public institutions were selected. The selected public institutions were those with the most employees across the country.

The selection ensured that all five categories of public institutions were covered, as indicated in the third column of **Appendix 3**. Lastly, to guarantee a fair assessment of the public institutions, PO-PSMGG was also consulted to confirm the selection of public institutions and whether they were guaranteeing an equal representation of best performers and low performers based on the Ministry's opinion. The suggestions and comments by the Ministry were included and considered in the selection of the public institutions to be visited. The selection ensured that all major categories of public institutions were covered to guarantee a comprehensive assessment of staff competency based on different corporate cultures.

1.5.2 Methods for Data Collection

To understand the overall functioning of the system for the development, monitoring and evaluation of the competency of staff in the public sector

as well as identifying existing challenges and problems, the audit used three main methods for data collection: interviews, document reviews and system walk-through. Details for each method for data collection during the audit are provided hereunder:

(a) Interview

In order to gain a wider understanding of the existing problems encountered in the development, monitoring, and evaluation of the competency of staff in public sectors in Tanzania, Interviews were conducted with relevant officials from identified stakeholders from the government. See **Appendix 4** for details on the positions of the individuals interviewed and their respective entities.

(b) Documents Review

Documents from PO-PSMGG and identified stakeholders were reviewed to obtain details regarding developing, monitoring, and evaluating staff competency in the public sector. **Appendix 5** provides detailed information regarding reviewed documents and reasons for their review.

1.5.3 Data Analysis Methods

The auditors used different techniques to analyse both qualitative and quantitative data that was collected during the execution of the audit.

a) Qualitative Data

- Content analysis techniques were used to analyse qualitative data by identifying different concepts and facts originating from interviews or document reviews and categorised them based on their assertions;
- The extracted concepts or facts were presented to explain or establish relationships between different variables originating from the audit questions;
- The recurring concepts or facts were quantified depending on the nature of the data it portrays; and

-
- The quantified information (concepts/facts) was summed or averaged in spreadsheets to explain or establish the relationship between different variables.

b) Quantitative Data

- Quantitative information with multiple occurrences was analysed using spreadsheets to develop point or time series data and relevant facts extracted from the figures obtained.
- The tabulated data were summed, averaged or proportioned to extract relevant information and relationships from the figures.
- The sums, averages or percentages are portrayed using different types of graphs and charts depending on the nature of the data to explain facts for point data or establish trends for time series data.
- Other quantitative information/data with single occurrences were presented as they were in the reports by explaining the facts they assert.

c) Data Modelling

To provide a conclusive statement about staff competency, qualitative data were analysed by developing a model that associated maximum operating efficiency from public institutions with competencies by assessing their ability to generate operating profits as revealed by their financial statements. This measure intrinsically accommodates all resource considerations (human, financial and time).

The model classified the public institutions into two major groups: revenue-generating public institutions and purely service-delivering public institutions. For revenue-generating public institutions, an institution was classified as having staff with relatively adequate competency if it could generate profit from its operating activities. On the other hand, a public institution was classified as having inadequate competency if it was

generating operating losses from its annual operations during the financial year 2022/23.

For pure service-delivering institutions, an institution was classified as having staff with relatively adequate competency if it was able to generate a surplus from its operating activities. On the other hand, a public institution was classified as having inadequate competency if it was generating an operating deficit from its annual operations during the financial year 2022/23.

1.6 Data Validation Process during the Audit

The President's Office - Public Service Management and Good Governance (PO-PSMGG) was given the opportunity to go through the draft performance audit report and comment on the figures and information presented. The PO-PSMGG confirmed the accuracy of the information and figures presented in the report.

1.7 Standards Used for the Audit

The audit was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) on performance audits issued by the International Organization of Supreme Audit Institutions (INTOSAI). These standards require the audit to be planned and performed to obtain sufficient and appropriate evidence to provide a reasonable basis for the findings and conclusions.

1.8 Structure of the Audit Report

The remaining parts of the audit report cover the following.

CHAPTER TWO

- SYSTEM FOR DEVELOPMENT, MONITORING AND EVALUATION OF COMPETENCY OF THE STAFF IN THE PUBLIC SECTOR

CHAPTER THREE

- AUDIT FINDINGS

CHAPTER FOUR

- AUDIT CONCLUSION

CHAPTER FIVE

- AUDIT RECOMMENDATIONS



CHAPTER TWO

SYSTEM FOR DEVELOPMENT, MONITORING AND EVALUATION OF COMPETENCY OF THE STAFF IN THE PUBLIC SECTOR

2.1 Introduction

This chapter describes the system for developing, monitoring, and evaluating staff competency in the public sector. It covers Policies, Legal Frameworks and Strategies governing the development, monitoring and evaluation of staff competency in the public sector for quality service delivery. It also covers the roles and responsibilities of key actors involved in the whole process of coordinating, overseeing and promoting the development, monitoring and evaluation of staff competency in the public sector.

2.2 Policy and Legal Framework

The development, monitoring and evaluation of staff competency in the public sector is governed by policies, legal frameworks and strategies in different levels of government operations, as shown in the following subsections.

2.2.1 The Public Service Management and Employment Policy, 2008

The development, monitoring and evaluation of staff competency in the public sector is governed by the Public Service Management and Employment Policy, 2008, which requires every public service institution to prepare its own Human Resource Plan (HRP). The prepared plans help ensure that jobs in organizations are filled with capable individuals in terms of qualifications, skills and attitude. This Policy enumerates the objective of developing, monitoring and evaluating staff competency to enhance service delivery.

2.2.2 The Training and Development Policy, 2013

The Training and Development Policy, 2013 promotes the training and development of staff in the public sector. The policy aims at enhancing the

skills and competencies of staff in the public sector through various training programs and capacity-building initiatives.

2.2.3 The Public Service Act, Cap. 298

The Public Service Act provides the legal framework for managing public service in Tanzania. It covers various aspects of human resource management, including recruitment, training, performance management, promotion and discipline. The areas covered by this Act play a crucial role in developing, monitoring, and evaluating staff competency in the public sector.

2.2.4 The Public Service Regulations, 2022

The Public Service Regulations, 2022, provide detailed guidelines on various aspects of human resource management in the public service. They outline the procedures for recruitment, performance management, promotions, disciplinary actions, and other related matters that promote the development, monitoring, and evaluation of staff competency in the public sector.

2.2.5 The Public Service Standing Orders, 2009

These are published under the authority of the government as the employer. They outline procedures for the conduct of government business, official correspondence, appointments, emoluments, and rules of conduct, including development, monitoring, and evaluation of staff competency.

2.2.6 The Scheme of Service

Scheme of service outlines or shows cadre and salaries attached to its grade, duties of the cadre, methods of entry into the cadre, and advancement within and beyond the cadre from entry to the end of the agency or public institution service. This includes advancement within and beyond the cadre by developing, monitoring, and evaluating staff competency.

2.2.7 Management Standards Checklists for the Public Service, 2011

The Management Standard Checklist for the Public Service, 2011 governs the development, monitoring and evaluation of staff competency by requiring each public institution to have clear and up-to-date job descriptions for each position, outlining the required competencies and qualifications.

2.3 Strategies for Management of Competency of Staff in the Public Sector

2.3.1 Tanzania Development Vision 2025

The Tanzania Development Vision 2025 emphasises the importance of good governance and the rule of law in creating wealth, sharing benefits in society, and ensuring that people are empowered to benefit from it. The Vision envisaged [PO-PSMGG's Five Years Strategic Plan 2021/22 -2025/26] that by the year 2025, good governance should have permeated the national socio-economic structure, ensuring a culture of accountability, rewarding good performance and effectively curbing corruption and other immoralities in society. The aim is to enable public service to work effectively and with due regard to social diversity.

The Strategic Plan considers the role of good governance and the rule of law in achieving the Vision. It outlines a number of initiatives to promote discipline, integrity, and accountability in public service.

2.3.2 National Five-Year Development Plan III (2021/22 - 2025/26)

National Five-Year Development Plan III (2021/22 - 2025/26) recognizes the need to promote good governance and the rule of law to realize human development. Since the importance of good governance in achieving the broader objectives of national plans is valued in the FYDP III, the strategic plan has also focused on good governance promotion in public service.

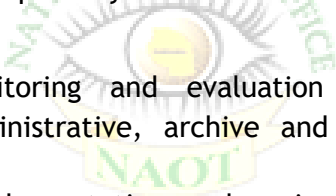
2.4 Key Stakeholders with their Roles and Responsibilities

To assess the development, monitoring and evaluation of the competency of staff in the public sector, PO-PSMGG was identified as a key organisation to coordinate, oversee and promote the development, monitoring and evaluation of the competency of the staff in the public sector.

The President's Office, Public Service Management and Good Governance

The President's Office - Public Service Management and Good Governance is vital in ensuring proper development, monitoring and evaluation of staff competency within the public sector. Its efforts aim to enhance professionalism, accountability, and efficiency in delivering public services to the citizens.

In achieving those vital objectives mentioned above, the PO-PSMGG is involved in human resources issues to promote the development, monitoring and evaluation of the competency of staff in the public sector, which include:

- 
- a) Formulation, monitoring and evaluation of human resource management, administrative, archive and records management policies.
 - b) Facilitation of implementation and review of human resources management, administrative, archives, and records management policies in MDAs, LGAs and other public service institutions.
 - c) Formulation, promotion, review, monitoring and evaluation of systems and structures for efficiency and effectiveness in public service delivery.
 - d) Developing, reviewing, monitoring and evaluating the implementation of performance contracting systems in the public service.
 - e) Coordination of public service reforms.

Organization Structure of the President's Office - Public Service Management and Good Governance (PO-PSMGG)

The organizational structure for the President's Office - Public Service Management and Good Governance- was approved by the President as per presidential instruments through GN 385 of May 7th 2021. The structure has eleven (11) Divisions and five Units. The instrument mandates PO-PSMGG to formulate and oversee the implementation of Policies on Human Resources Management, Administrative, Archives and Records Management.

In addition, the Office is mandated to oversee the Administration of Public Service, Performance Contracts, Human Resources Development and Planning, Payroll Management, Public Service Ethics Management Services, Public Service Performance Improvement, Establishments of Executive Agencies, Retired State Leaders Services, Public Service Reforms; Performances Improvement and Development of Human Resources; and Extra-Ministerial Departments, Parastatal Organizations, Agencies, Programs and Projects.

2.5 Other Key Stakeholders

The relationship between the PO-PSMGG and key stakeholders is characterized by collaboration, consultation, and continuous engagement. Through regular communication, joint planning, and shared responsibilities, these stakeholders can work together to enhance the development, monitoring, and evaluation of staff competency in the public sector in Tanzania. The key stakeholders are as mentioned below;

2.5.1 The Ministry of Finance

This ministry is vital in allocating resources for training and development programs to enhance staff competencies in the public sector. The Ministry's role is mainly to collaborate with other Ministries, Independent Departments, and Agencies to ensure adequate funding for training initiatives.

2.5.2 Public Service Commission (PSC)

The Public Service Commission (PSC) was established under the Public Service Act, Cap. 298 and became operational on 7th January 2004. The establishment of the PSC is amongst the efforts to implement the Public Service Management and Employment Policy of 1998 (revised 2008) and Public Service Act Cap. 298. The main responsibility of the PSC is to ensure that appointing and disciplinary authorities in the public service comply with public service rules, regulations, and procedures when performing their duties, as well as to receive and act on appeals from the decisions of other public bodies and disciplinary authorities.

Additionally, the PSC is responsible for facilitating, monitoring, and evaluating the performance of officials in public service to secure results-oriented management of the public service through conducting human resource audits in the public sector.

2.5.3 Public Service Recruitment Secretariat (PSRS)

The Public Service Recruitment Secretariat (PSRS) is a government organ with the status of an independent department established specifically to facilitate the recruitment process of employees to the public service. The Public Service Recruitment Secretariat was established by the Public Service Act, Cap. 298.

2.5.4 The Public Institutions

The public institutions of Tanzania have been formulated to provide public service to the citizens of Tanzania. While delivering public service, public institutions are required to comply with standards and guidelines that the PO-PSMGG develops on all matters related to public service management, including the development, monitoring and evaluation of the competency of their staff. The public institutions of Tanzania are divided into Ministries, Independent Departments and Agencies (MDAs) that are required to abide by the Public Service Act Cap 298 with its Regulations of 2022.

2.5.5 Public Service Training Institutions

Training institutions such as Uongozi Institute, Tanzania Public Service College, Local Government Training Institute, Institute of Judicial Administration, and other relevant institutions provide relevant education and training programs to enhance staff competency in the public sector. The PO-PSMGG should work with these institutions to design and implement training programs that address the specific needs of the public sector.

2.5.6 Professional Boards

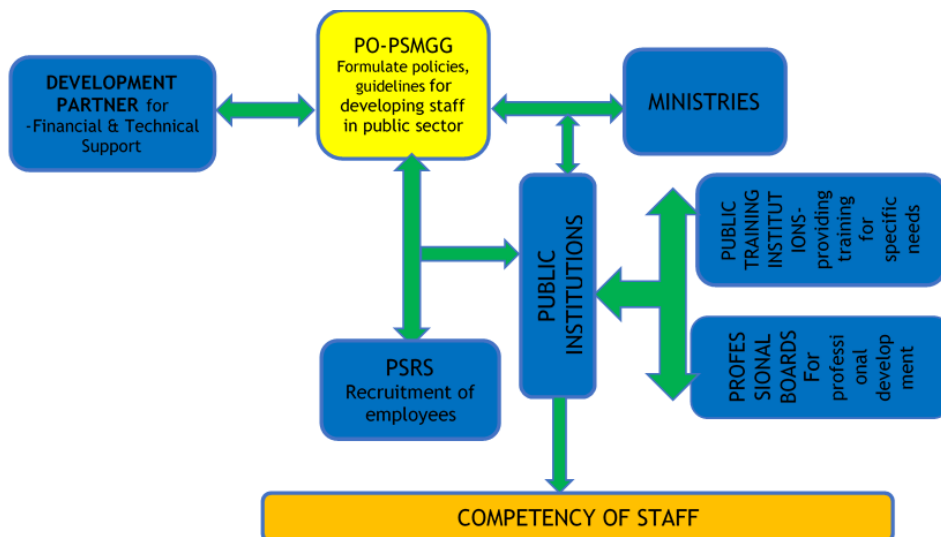
Professional Boards, such as the National Board of Accountants (NBAA), Professional Supplies Procurement and Technician Board (PSPTB), Architects and Quantity Surveyors Registrations Boards (AQRB), Engineers Registration Board (ERB) etc, play a role in the development and evaluation of staff competencies. They provide professional development opportunities, certifications, and standards for public sector employees. By engaging with these organizations, the PO-PSMGG can understand the concerns and aspirations of the workforce and develop policies and programs that address their needs.

2.5.7 Development Partners

Development partners, including international organizations and donor agencies, often provide support and technical assistance in strengthening the public sector. The PO-PSMGG collaborates with these partners to access funding, expertise, and resources for capacity-building initiatives and competency development programs.

The relationship between stakeholders in developing, monitoring and evaluating staff competency in the public sector is indicated in **Figure 2.1**.

Figure 2.1: Relationship between different Stakeholders



Source: Auditors' Analysis from Acts, Regulations and Guidelines in Public Service (2023)

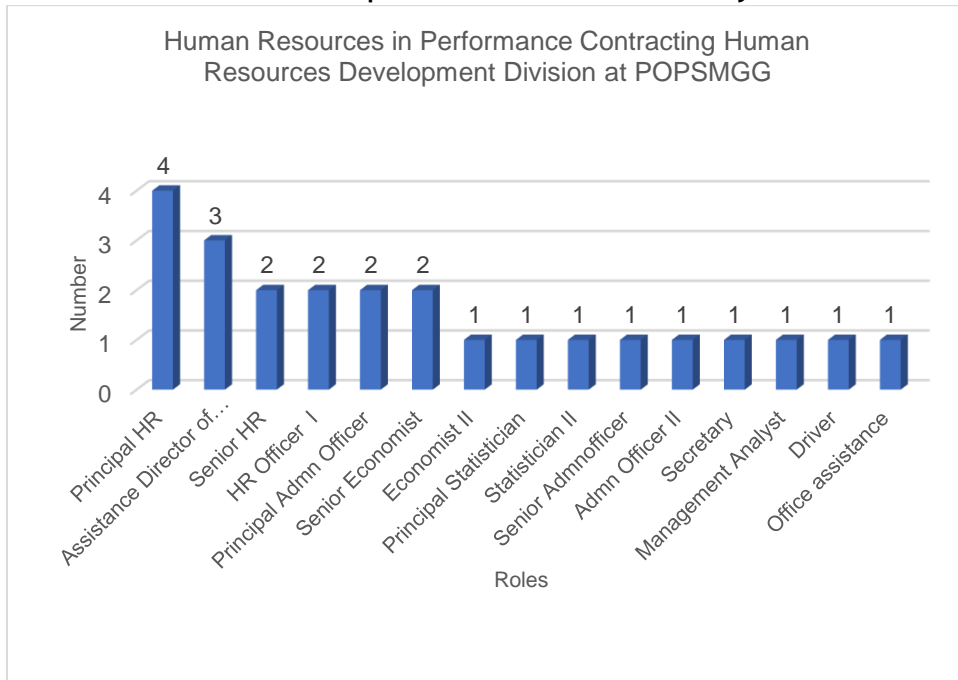
2.6 Resources for Implementation of Ministry Activities

2.6.1 Human Resources

The Human Resources Department at PO-PSMGG consists of various professionals relevant to undertaking operational roles in developing, monitoring, and evaluating competency in public institutions. The staffing portfolio also includes other pertinent professions responsible for supporting the divisions' operations in undertaking their core functions.

The operations of PO-PSMGG are undertaken at the national level only. According to a summary of human capital emoluments estimates at the vote level on Form 8b, the total number of existing staff in the Performance Contracting Division was 9, and the existing staff in the Human Resources Development Division were 15. The number and category of roles for major professions are provided in **Figure 2.2**.

Figure 2.2: Available Human Resources in Performance Contracting Human Resources Development Division at POPSMGG by Roles



Source: Staff Establishment at POPSMGG as of June 2023

As indicated in **Figure 2.2**, the staffing profile at PO-PSMGG for Performance Contracting Human Resources Development Division consists of different professions, four Principal Human Resource Officers and three Assistant Human Resources Directors. Others include Senior HR, HR Officer I, Principal Administration Officer, Senior Economist, Economist II, Principal Statistician, Statistician II, Senior Administrative Officer, Administration Officer II, Secretary, Management Analyst, Driver and Office Assistants, making a total of 24 staff.

2.6.2 Financial Resources

PO-PSMGG is required to secure financial resources to develop, monitor and evaluate staff competency in the public institutions. Funds from government subvention finance the Annual Budget of PO-PSMGG. The details of the annual budget sum are provided in **Table 2.1**

Table 2.1: Comparisons of Approved Budget versus Actual Funds Received for PO-PSMGG from Financial Year 2018/19-2022/23

Financial Year	Approved Budget (Billion TZS)	Actual funds received (Bill TZS)	% Received
2022/23	60.224	41.219	68
2021/22	49.055	64.550	132
2020/21	45.984	42.854	93
2019/20	77.838	39.099	50
2018/19	43.553	40.786	94
Grand Total	276.654	228.508	83

Source: PO-PSMGG Financial Statement for 2018/19 - 2022/23 financial years.

Table 2.1 indicates the lowest fund received by PO-PSMGG was in the financial year 2019/20, where the Ministry received only 50% of the approved budget. The highest fund received by the Ministry was for the financial year 2021/22, where the Ministry received 132% of the approved budget. On average, PO-PSMGG received 83% of the approved budget in the five (5) years under review.

Per the PO-PSMGG Financial report from 2018/19 - 2022/23, the contributed funds were 100% government subsidies. The Ministry had no other source of finance. Subvention comprises funds received from the Treasury to cater for Personal Emoluments (PE) such as employees' salaries and other operational costs.

2.7 Processes for Development, Monitoring and Evaluation of Competency in the Public Sector

The development, monitoring and evaluation of staff competency in the public sector involves various stakeholders at different levels within the government. The main stages in the processes are described below:

2.7.1 Identification of Gaps for Staff Competency

The development, monitoring and evaluation of staff competency in the public sector process starts with identifying gaps. All MDAs identify and address performance gaps within institutions based on their roles, responsibilities, tasks, outcomes, and behaviours.

The first stage is identifying competency needs in the public sector, which should ideally be done at multiple stages throughout the lifecycle of public staff. Those stages are during the initial stage of workforce planning, which assesses the organization's goals and objectives and determines the required competencies to achieve their goals.

The second stage is during the recruitment and selection stage, where job descriptions and requirements are clearly outlined so that the required competencies for successful performance are obtained.

The third stage is the performance management stage, where supervisors assess and evaluate competencies demonstrated by employees against required performance standards. This aids in determining performance gaps and areas for development and training.

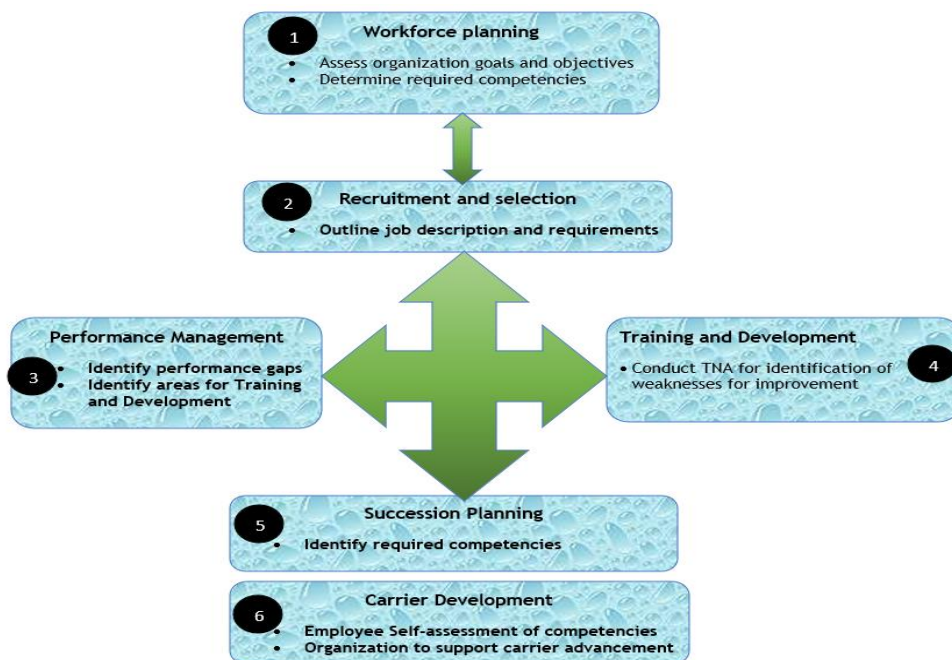
The fourth stage is the training and development stage, where training needs assessment is conducted, and areas of weaknesses are identified for organisational interventions for improvement.

The fifth stage is the succession planning stage. This stage identifies competencies required for future key leadership roles and strategies to ensure a pipeline of individuals with necessary competencies is done. The last stage is the career development stage, where employees assess their competencies, identify areas for growth and development, and let the organization facilitate career advancement. All these stages should be guided by the presence of a framework that defines the type of staffing profile the institution has and the demands on its staffing profiles.

PO-PSMGG has designed the training needs assessment (TNA) manual, which encompasses necessary background information, process steps, tools, and

templates to enable MDAs to identify competency gaps. TNA is closely linked with human resource plans and needs to be considered when writing the human resource planning report. A summarized description of the stages of identification of competency gaps is presented in Figure 2.3.

Figure 2.3: Stages in Identification of Competency Gaps



2.7.2 Developing Capacity Building Programs to Enhance Staff Competency

PO-PSMGG is responsible for developing a capacity-building plan through provision, updating, and reviewing capacity-building plan guidance. This may also include setting legal requirements for using the guidance and developing incentives and motivation packages for government institutions to implement them. Additionally, PO-PSMGG builds government institutions’ capacity to understand and comply with management standards through advice, training and awareness creation.

On the other hand, MDAs have the responsibility and role to build internal capacity for its staff through training and awareness creation, conduct monitoring and evaluation on capacity building strategies such as training, recruitment and staffing, computerized systems and other monitoring and evaluation processes, build capacity of the executive agency team on the knowledge and skills required in establishing executive agencies in MDAs.

2.7.3 Implementation of Capacity Building Programs

Training in the public service is guided by various instruments such as Public Service Management and Employment Policy of 2008, the Public Service Act, Cap. 298 and the Public Service Standing Orders of 2009.

The Public Service Commission (PSC) is responsible for monitoring the implementation of the capacity-building plan in all MDAs. The Public Service Commission ensures all MDAs have medium- and long-term training and development plans that cover technical and managerial skills. PSC also ensures that all government institutions have annual plans extracted from the main plan.

Similarly, the government has created an enabling environment by developing and issuing Training Need Assessment Guidelines. In implementing the Guidelines, PO-PSMGG trained 16 ministries and 31 public institutions, including 16 Independent Departments, 5 Executive Agencies, and 10 Regional Secretariats, on conducting TNAs and preparing training plans. These institutions are required to submit their training plans to PO-PSMGG every financial year. PO-PSMGG ensure that all training plans are linked to employee performance appraisal results based on OPRAS and Medium-Term Strategic Plans (MTSP). In addition, PO-PSMGG conducts mid and end-of-year reviews of the training plan and assesses the effectiveness of training through evaluation at the end of each medium-term planning cycle.

2.7.4 Measuring Performance of Staff

Public institutions conduct performance measurement through Open Performance Appraisal reviews. This task is guided at the country level by PO-PSMGG through its Performance Management Division. The division is

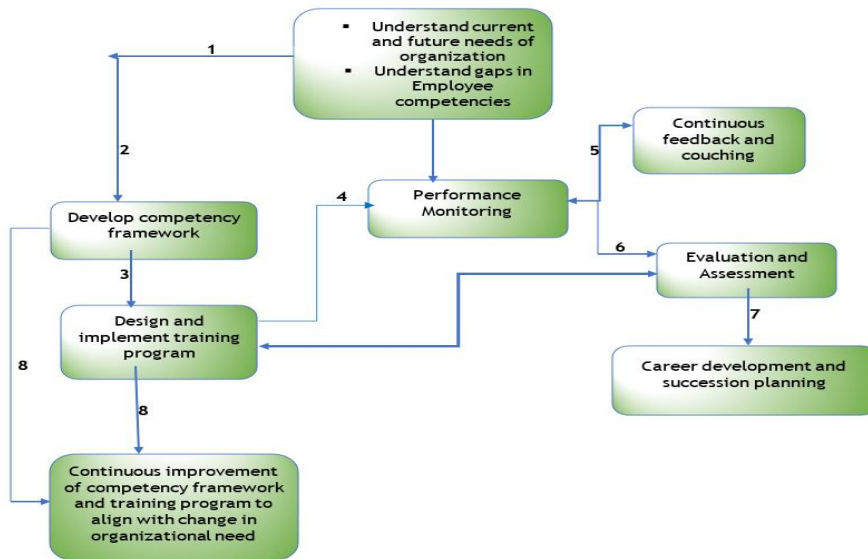
responsible for developing guidelines and monitoring the implementation of the issued guidelines on performance management.

Currently, the government, through PO-PSMGG, has phased out the old Open Performance Review and Appraisal System, and it is currently in the process of launching and institutionalizing the Public Employee's Performance Management Information Systems (PEPMIS) and the Public Institution Performance Management Information System (PIPMIS) systems. These will be the central performance management systems in the government. PEPMIS will be the central tool in assessing individual employees' performance. PIPMIS will be the central tool in assessing the performance at an institutional level.

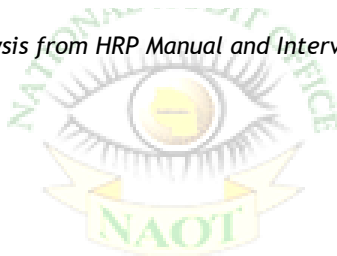
On the other hand, the Public Service Commission complements this role by ensuring that the evaluation of staff's competency is formulated and implemented effectively per the requirements of the set guidelines. The commission has the role and responsibilities to conduct regular compliance assessments to the management standards (compliance inspections), monitor and evaluate the performance and implementation of the standards in government institutions, and take appropriate measures on cases of noncompliance in the performance and implementation of the management standards.

A summary of the process of managing the development, monitoring and evaluation of the competence of staff in the public sector is presented in **Figure 2.4**.

Figure 2.4: Processes in Managing Development, Monitoring and Evaluation of the Competence of Staff in Public Sector



Source: Auditors' Analysis from HRP Manual and Interview Minutes (2023)



CHAPTER THREE

AUDIT FINDINGS

3.1 Introduction

This chapter presents audit findings on the development, monitoring and evaluation of staff competency in the public sector as managed by PO - PSMGG for the period under review. The findings cover Identifying gaps in staff competency, developing capacity-building plans or programmes, implementing capacity-building plans to enhance staff competency and measuring staff performance.

The findings address the extent of the problem by assessing the five specific audit objectives described in section 1.3.1 of this report.

3.2 Failure to Effectively Develop, Monitor and Evaluate the Competency of Staff

According to Para 1.4.2 of the Public Service Training Policy (2013), the implementation of the Civil Service Reform Program and Public Service Reform Programs (2008-2012) had components designed to enhance technical, managerial and leadership competencies for the whole public service.

The program was implemented based on the Public Service Reform Program's (PSRP) final implementation report. It assured staff competency in the public sector, which is one of the successes of the reform program that was implemented. Among other things, the programme was geared to enhance the capacity of public institutions to develop, monitor and evaluate the competency of their staff to design and implement capacity-building programmes suitable for their staff and their core functions.

However, the review of institutional performance reports, capacity building programs, training plans, training needs assessment reports, and training implementation reports during this audit found that public institutions were not sufficiently developing, monitoring, and evaluating staff competency.

As a result, the audit noted capacity weaknesses associated with job performance and inadequate staff competence among public institutions. To establish the extent to which public institutions developed, monitored and evaluated staff competency, the audit interviewed human resource officers on matters pertaining to the development of competency through various capacity-building initiatives, monitoring of competency through different human resource management tools, and competency evaluation through available tools and presented the rankings in **Table 3.1**.

Table 3.1: Assessment of the extent of Developing, Monitoring and Evaluating Competency in the visited Public Institutions

Institution	Development	Monitoring	Evaluation
MoF	High	Medium	Medium
MoW	Medium	Low	Low
PSRS	Medium	Low	Low
PSSSF	High	Medium	Medium
TPA	High	Medium	Low
TRA	High	Medium	Medium
TPSC	Medium	Low	Low
Pangani DC	Low	Low	Low
Mtwara-Mikindani MC	Low	Low	Low
Mwanza CC	Low	Low	Low

Source: Auditors' Analysis of Interview Minutes, Capacity Building Program, Training Programs and Prevailing Tools for Monitoring and Evaluation of Staff Competency (2023)

KEY

- High:* Connotes performance above average level
- Medium:* Connotes performance at an average level
- Low:* Connotes performance below average level

Table 3.1 shows a high extent of medium and low performance in developing, monitoring and evaluating staff competency among the visited public institutions.

On staff competency development, 4 out of 10 visited institutions conducted staff competency development with a high-level ranking where documented and undocumented capacity-building activities were being conducted. This included the Ministry of Finance, PSSSF, TPA and TRA. The remaining six (6) institutions were ranked equally, with three (3) institutions at a medium level and three (3) at a low level. These institutions were observed to have a small extent of capacity-building activities with very low or no capacity-building activities at all during the audit period. For instance, Pangani District Council had not organized training in the past three (3) years, although a few selected staff attended 3 invited government-wide trainings. The council had not sponsored individual training; 5 out of 807 staff attended self-sponsored long-term training.

In all ten (10) visited institutions, the development of competency mostly concentrated on two (2) attributes of competency, which are knowledge and skills, but the other two (2) attributes (behaviours and attitudes) had very few development activities. Furthermore, only technical competencies underwent frequent capacity-building activities, while leadership and core competencies did not frequently receive capacity-building activities.

In competency monitoring, 6 out of 10 institutions were ranked at low levels, while four (4) were ranked at medium levels. In this regard, institutions were observed to apply or use competency monitoring tools at a low level. Despite little knowledge of competency monitoring tools, few institutions with the knowledge had inadequately conducted competency monitoring. For instance, TRA had been using a balanced scorecard as a tool for monitoring the competency levels of its staff level; however, the tool monitored only 2 out of 4 attributes of competency, which are skills and knowledge, but did not monitor the other two (2) attributes, which are attitudes and behaviours.

Regarding the evaluation of staff competency, 7 out of 10 visited institutions were ranked at low levels, while the remaining three (3) were ranked at medium levels. The Audit noted that institutions did not have specific management tools or a framework that could evaluate developed competency. On the other hand, 3 out of 10 institutions had been ranked at

medium levels as they tried to evaluate competency levels but were not sufficiently done. For instance, PSSSF had been using modified OPRAS systems to rank the performance of its staff, and they associated them with competency levels the same as TRA, which was using the balanced scorecard (BSC). However, neither of them was able to provide a measurable competency score.

They associated their performance score with competency scores despite the fact that performance measurement systems were developed to measure only two (2) attributes of competency: skills and knowledge. Attitude and behaviour attributes were not integrated into the system.

The overall government efforts in developing, monitoring, and evaluating competency levels have addressed only some elements of the public service staff's competency while leaving out other elements crucial to efficient public service delivery. The following diagram displays the level of intervention for enhancing competencies on the four attributes of competency in the government.

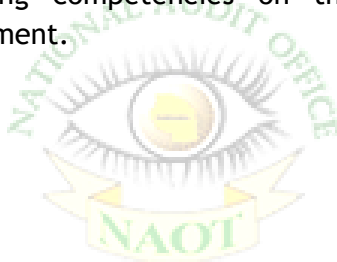
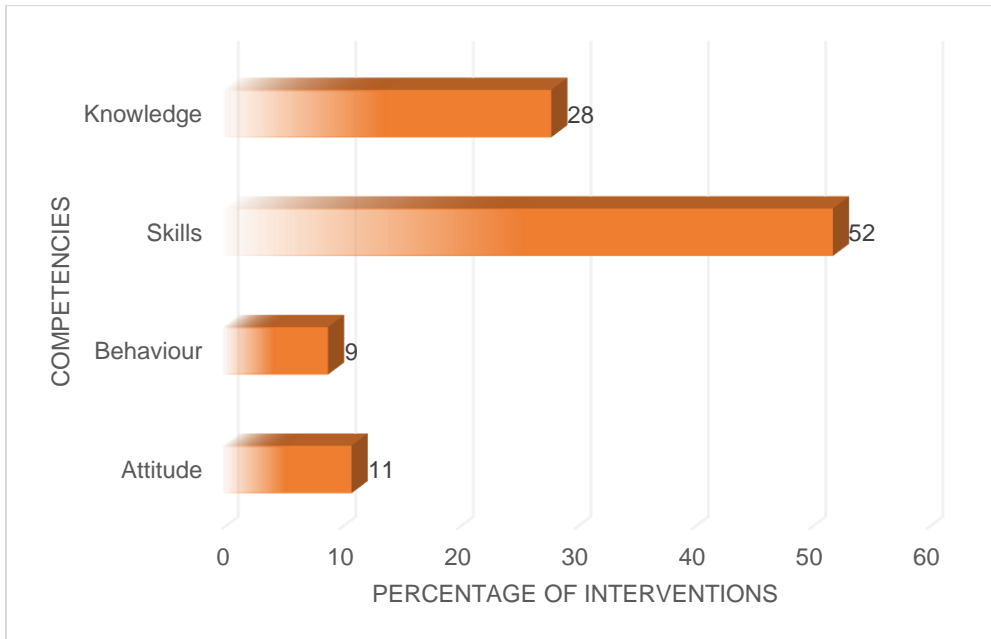


Figure 3.1: Level of Interventions to the Four Attributes of Competence in the Public Sector



Source: Auditor's Analysis of Training Implementation Reports (2023)

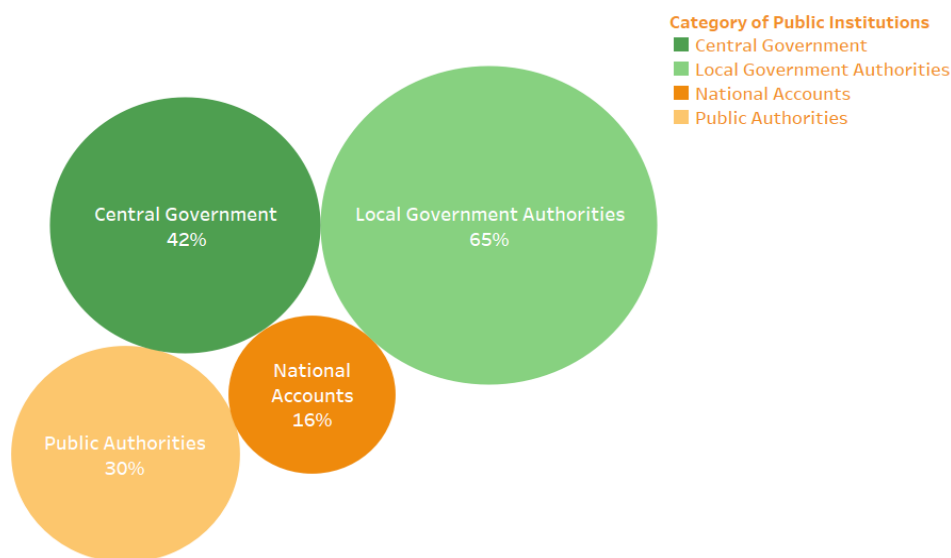
Figure 3.1, on ten (10) sampled institutions, 52% of all interventions were based on providing skills competency. Meanwhile, 28% of all interventions were based on providing knowledge competency. Behaviour competency occupied 9% of all interventions provided, and the remaining 11% were based on attitude competency.

3.2.1 Presence of Public Institutions with Inadequate Staff Competencies

Para 4.1 of the Public Service Training Policy (2013) requires government planners and decision-makers to ensure their institutions have capable human resources with regard to their competencies, among other things. Additionally, the Human Resource Planning Manual (2010) issued by PO-PSMGG also requires heads of public service institutions to ensure effective human resource planning that guarantees staff availability with the right number and competencies.

Based on the model detailed in section 1.5.3, a review of the financial statements as of June 2023 from 213 public institutions in Tanzania indicated that, public institutions were not achieving maximum operational efficiency such that revenue-generating institutions could generate profits and service-delivering institutions could generate surplus as a result of efficient operations. **Figure 3.2** shows the percentage of revenue-generating institutions that incurred losses from their operating activities and service-delivering institutions that generated deficits. They were, therefore, relatively classified as having composed of staff with inadequate competency.

Figure 3.2: Proportions of Public Institutions with Inadequate Staff Competence



Source: Financial Statements from Ministries, National Accounts Entities, Public Authorities and Local Government Authorities for 2022/23

The analysis of the 2022/23 financial statements from the four categories of public institutions has indicated that Local Government Authorities had a major proportion of staff with inadequate competencies at 65%. This was followed by central government entities, which had 42%, public authorities, which had 30%, and lastly, the national accounts entities, which had 16%.

Further analysis indicated that most public authorities had sufficient resources to capacitate their staff with different training. Such training is aimed at increasing their competencies. It was noted, however, that local government authorities did not provide sufficient funds for its capacity-building programs.

Consequently, inadequate staff competency contributes to ineffective operation in government institutions, leading to a loss in productivity, high employee turnover, inability to grow in competitive industries, stunted sales and profits, and even a decline in stock valuations.

3.2.2 Inadequate Competency Profiling in the Public Sector

Para 2.1.3 of the Human Resource Planning Manual 2010, entails that the competency profile in public institutions defines competencies applied to groups of positions such as occupational groups (e.g., Leader, nurses, teacher) or that are function-specific (e.g., HR, IT, finance). Also, competency profiles facilitate integrating different HR activities, such as aligning HR Planning with recruitment, training and development, performance evaluation, etc., through a common language and framework.

However, the review of the human resource plans from the visited institutions found that public institutions were not adequately developing competency profiles for their staff, even for activities that are core to their establishments. The competency profile should be drawn from a competency framework. However, the visited public institutions consider the scheme of service as a competency profile, which is inaccurate. Thus, auditors assessed the extent to which public institutions developed competency profiles for their human capital by comparing the scheme of service and competency framework and subsequently established the gaps. **Table 3.2** compares competency frameworks and Schemes of Service in the public sector.

Table 3.2: Comparisons of Competency Frameworks and Schemes of Service in the Public Sector

Category	Schemes of Services	Competency Frameworks
Elements	Career Progression Promotion Criteria Experience Credentials Performance Evaluation Mechanism	Human Resource Characteristics Attitude Behaviours Skills
Central Objective	Establish Clear Career Growth and Promotion	Produce Competent and Highly Productive Employees

Source: Auditors' Analysis of Interview Minutes and Schemes of Service (2023)

Table 3.2 shows the comparison between the schemes of service and competency frameworks. The visited public institutions were observed to have adopted schemes of service to ascertain the needs and levels of competency required for their staff. However, the schemes of service did not provide sufficient profiles of competency needs because they were based on career progression, promotions criteria and performance criteria of its employees. Competency frameworks outlined institutional core, technical, and leadership needs by profiling personal characteristics, attitudes, experience, behaviours, credentials and skills.

The schemes of service alone were insufficient to provide detailed and tailor-made guidance on the level and type of capacity-building interventions required, particularly for core cadres among the visited public institutions. While the central objective of schemes of service was to establish clear career growth and promotions, the central objective of competency frameworks was to develop a portfolio of competent and highly productive employees within public institutions from core and supportive cadres of institutions. Furthermore, a review of the schemes of service for different entities revealed that the schemes of service were out of date. Initially, they were established in 2002; the last review was in 2009. Some

recently emerged professions, such as artificial intelligence, data sciences, information technology, and actuaries, were not included in the schemes of service.

Interviews with officials from the visited institutions revealed that ineffective competency frameworks for employees in the public sector are partly caused by a lack of involvement of key stakeholders in developing strategic human resource management frameworks, failure to use competency frameworks to assess talent during recruiting, and hiring decisions to guide learning and development plans in shaping future leaders, and the unclear guidance by PO-PSMGG on developing and implementing strategic human resource plans.

Inadequate competency profiling in the public sector creates ineffective strategies in development activities across all ministries as public institutions develop capacity-building programs that do not address the competency requirements of their institutions. The competency framework ensures that public officials develop a training plan. The framework also insists on developing application skills, knowledgeability and social maturity.

3.3 Ineffective Identification and Analysis of Competency Gaps in the Public Institutions

Para 2.1.3 of the Human Resource Planning Manual requires public institutions to conduct a gap analysis to help an organization compare its actual and potential performance. The gap is obtained by comparing the current and future goals and strategic plans of an organization and the current level of skills and competency of its staff. On a higher level, the mission and vision of an organization set the basis for the number of human resources required as a quantitative gap⁴ and the type of skills or competency required, which is a qualitative gap⁵.

⁴ Refers to countable facts and figures of the workforce (PO-PSMGG Training Needs Assessment Manual, 2010)

⁵ Refers to the type of skills or Competency required (PO-PSMGG Training Needs Assessment Manual, 2010)

However, the review of the identification of competency gaps and analysis among visited public institutions revealed weaknesses that affected the effectiveness of capacity-building programs to address the identified gaps. The noted weaknesses include inadequate plans for competency gap identification, insufficient human resource gap analysis and non-maintenance of skills inventories among public institutions, as outlined in the following sections.

3.3.1 Inadequate Plans for Competency Gap Identification

According to Para 6.1.2 (i) of the Training Policy for The Tanzania Public Service, 2013, public institutions are responsible for developing their staff by conducting a comprehensive needs assessment to identify specific competency gaps among staff members. It also requires a documented training and development plan to ensure staff members acquire and maintain the necessary competencies.

The review of organizational planning documents, including strategic, annual and other business plans, found inadequate inclusion of needs assessment in key organizational planning documents.

Table 3.3: Inclusion of Competence Needs Assessment Activities in Organizational Plans

Type of Plans	MoF	MoW	TPSC	PSRS	PSSSF	TRA	TPA	Pangani DC	Mwanza CC	Mtwara-Mikindani MC
Strategic Plans	✓	x	x	x	x	✓	✓	x	x	✓
Annual Plans	x	x	x	✓	x	✓	✓	x	x	x
Other Plans	x	x	✓	x	✓	✓	✓	x	x	x

Source: Auditors' Analysis from Strategic, Annual and Other Plans 2018-2023

Key

✓	Connotes the presence of a plan
x	Connotes the absence of a plan

Table 3.3 shows that four institutions have included competency needs assessments in the form of training needs assessments (TNA) in their strategic plan. At the same time, the remaining six institutions did not include that. A further assessment established that three institutions included training needs assessment in their annual business plans, while the remaining seven did not. Four institutions included the competency needs assessment in other business plans like capacity building programs and performance appraisal review reports. On the other hand, TPSC included them in their human resource development plan to guide training for academic and non-academic staff.

The visited institutions focused on establishing training needs assessments rather than assessing competency needs as a whole. Competency needs cannot be fully addressed through training needs alone. They require other means such as workforce planning, performance management systems and skills inventory.

Further review of the capacity building programs found that, the inadequate inclusion in the capacity building plans was caused by the lack of guidelines on when the competence needs assessment will be done and how other capacity gaps will be identified.

Consequently, inadequate planning for competence needs assessment hinders the development of effective training programs for addressing identified competency gaps among public institutions.

3.3.2 Insufficient Analysis of Human Resource Gap

Para 2.1.3 of the Human Resource Planning Manual, 2010 requires public institutions to conduct gap analysis as a tool that helps an organization compare its actual performance with its potential performance. It determines the current/prevaling situation/state against the desired/necessary situation/state, e.g., in terms of numbers and competencies, as well as the organizational goals or operating climate.

A gap analysis should be conducted in a public institution to compare its actual performance with its potential performance by assessing the supply forecast to identify differences, the GAPS (Competency Gap - Quality and Staff and Inventory Gap - Quantity), which need to be managed by appropriate HRM actions.

However, the review of capacity needs documents and training needs assessment found that there is inadequate identification and analysis of the human resource gap, particularly the competence gaps (qualitative gaps) as described hereunder;

a) Limited Staff Competency Needs Assessments

All ten (10) visited public institutions did not have comprehensive human resource plans, which were supposed to provide information and guidance on capacity-building interventions within their organizations. The visited public institutions contained only the training needs assessments (TNAs) as a source of information and guidance on analysing and evaluating the available skills, knowledge and attitudes at organizational and individual levels.

However, the review of the training needs assessments submitted by the visited public institutions revealed that TNAs focused on individual needs analysis rather than integrating it into the organizational needs. Additionally, there was no benchmarking of available capacity against the required capacity at both individual and institutional levels.

The analysed TNAs reported only the required needs with no benchmarking as per the requirement of the TNA manual. Auditors mapped all the needs assessments from the needs documentation in the visited public institutions to identify the extent to which the key competencies in the public sector were covered. The obtained results are presented in **Table 3.4**.

Table 3.4: Coverage of Key Competencies in Capacity Needs Assessment among Public Institutions

Type of Competency	The Extent of Assessment (Based on TNAs and OPRAS ⁶ in Percentage (%))										
	MoF	MoW	TPSC	PSRS	PSSSF	TRA	TPA	Pangani DC	Mwanza CC	Mtwara-Mikindani MC	Average(%)
Core Competencies ⁷	5	0	27	25	13	8	1	0	0	0	7.9
Leadership Competencies ⁸	10	0	9	38	13	24	17	0	0	0	11.1
Technical Competencies ⁹	85	100	64	37	74	68	82	100	100	100	81

Source: *Training Needs Assessment and Capacity Building Programs*

Table 3.4 shows that capacity needs assessments were mainly done for technical competencies, with a limited extent for other competencies. The reviewed TNAs are more comprehensive in technical competence than core and leadership competencies. The assessment percentage varies widely across different institutions, indicating potential differences in focus and priorities for competency assessment. The analysis shows that, in general, 81% of all the needs presented by the training needs assessment were on technical competencies, while only 11.1% addressed leadership competencies. The remaining 7.9% of the needs were on core competencies. The discussion with officials from the visited public institutions pointed out that the reason for not assessing the technical competencies is insufficient

⁶ OPRAS was used as a needs assessment tool by PSSSF.

⁷ Refers to a set of related knowledge, skills and abilities that result in essential behaviors expected from those working for the public Institutions.

⁸ Refers to a set of skills and abilities essential for staff with management responsibilities.

⁹ Specific competencies which are considered essential to perform a specific role in the organization within a defined technical or functional area of work

guidance on how the competency needs are analysed. The officials did not know how the competencies were analysed or if there was any framework for analysing the required competencies.

However, interviews with officials from PO-PSMGG noted that HCMIS is compatible, which enabled eHRP to obtain details available under HCMIS for the maintenance of skills inventories among public institutions. It was further revealed that information about talents and achievements was missing.

Additionally, the narrow approaches in preparing needs analysis, including the traditional training need assessments among public institutions, contributed to inadequate human resource gap analysis. Although training needs assessments are valuable, they represent only one aspect of a comprehensive human resource gap analysis. A more comprehensive human resource gap analysis approach should consider the broader factors contributing to an organization's human resource requirements. These include considering the organization's strategic goals, anticipated changes in the operating environment and technological advancements.

As a result, the inadequate human resource capacity gap analysis has led to the undertaking of capacity development programs that do not address the key issues of the staff capacity gaps. The interviewed human resource officers from the ten visited entities have pointed out that some staff returning from training have contributed very little to their activities or undertakings. This has ultimately failed to add the intended values to attaining organizational goals.

3.3.3 Inadequate Skills Inventories among Public Institutions

Para 6.1.2 (iv) of the Public Service Training Policy, 2013 requires public institutions to maintain skills inventories for their staff to improve the efficiency and effectiveness of public service delivery in the context of the national development agenda. The skills inventories are aimed at helping organizations achieve smooth transitions that maintain productivity and efficient service delivery through transfers in and out, as well as job rotations.

However, the Audit noted that PO-PSMGG's current inventory system is based on the Human Capital Management Information System (HCMIS). Auditors assessed the skills inventory elements available in HCMIS, compared them with standard inventory elements, and provided results as shown in **Table 3.5**.

Table 3.5: Assessment of Skills Inventories in the Public Sector

Required Data	PO-PSMGG-Skills Inventory Data	Missing Data
Employee Information Organization Information Current Role Job Category Competencies level Capabilities Talents Skills Salary related data Achievement	Employee Information Organization Information Current role Job category Salary related data	Competencies level Capabilities Talents Skills Achievements

Source: Auditors' Analysis from HCMIS system and Literature review (2023)

Table 3.5 shows that the current database for public sector employees maintained at PO-PSMGG lacks many details that pertain to sufficient skills inventories. The database prevailing at PO-PSMGG contains only details of employee information, organization information, current role, job category and salary-related data while missing competency levels, capabilities, talents, skills and achievements, which are significant in the movements of employees within and outside the public institutions. The lack of priority on maintaining staff skill inventories is attributed to insufficient training and awareness regarding the importance and best practices of keeping accurate and up-to-date inventories.

As a result, the inadequate updating and management of skills inventories lead to difficulties in identifying and utilizing employees' unique strengths, thus hindering talent management initiatives such as succession planning and career development. Furthermore, this contributes to the inability of public institutions to efficiently leverage employees' talents, which would otherwise help integrate individual and organizational goals.

3.4 Ineffective Preparation of Skills Development Programs

Regulation 25 (d) (2) of the Public Service Regulations, 2022 requires Chief Executive Officers to ensure that there are skills development programs for their staff that will enhance public servants' competencies in performing their jobs.

A review of training documentation, needs assessment, and training reports showed that the development of capacity-building programs was inadequate. Also, there was a mismatch between capacity-building plans and identified skills gaps. Similarly, there was a mismatch between training programs and identified performance challenges. The details are elaborated below:

3.4.1 Inadequate Development of Capacity Building Programs and Plans

Regulation 25 (d) (2) of the Public Service Regulations, 2022, states that every Chief Executive Officer is required to ensure that individual staff performance contracts are supported by skills development programs to enhance public servants' competencies in the performance of their jobs. Based on clarifications from PO-PSMGG officials and definitions of the TNA Manual, the skills development programs were interpreted to have the same meaning as training plans for five (5) years. On the other hand, the visited public institutions interchangeably referred to training plans as training programs. The public institutions were, therefore, expected to develop and implement long-term or medium-term training programs for three years or more. Public institutions were also required to prepare annual training plans as per the requirement of para 2.2.2 of the Management Standards Checklists.

However, interviews with officials responsible for the management and administration of training from the visited public institutions revealed that public institutions did not sufficiently prepare training plans as per the requirements of the Training Policy for the Tanzania Public Service, 2003 and the derivative annual training plans. **Table 3.6** shows the extent of preparation of training plans.

Table 3.6: Overview of Preparation of Training Plans

Entity	Type of Intervention	2018/19	2019/20	2020/21	2021/22	2022/23
MoF	Training Programs	x	x	x	✓	✓
	Annual Training Plans	x	x	x	x	x
MoW	Training Programs	✓	✓	✓	x	x
	Annual Training Plans	x	x	x	x	x
PSRS	Training Programs	x	x	x	✓	✓
	Annual Training Plans	x	x	x	✓	✓
PSSSF	Training Programs	x	x	x	x	x
	Annual Training Plans	x	✓	✓	✓	✓
TPA	Training Programs	x	x	x	x	x
	Annual Training Plans	x	x	x	✓	✓
TRA	Training Programs	x	x	x	x	x
	Annual Training Plans	✓	✓	✓	✓	✓
TPSC	Training Programs	x	x	✓	✓	✓
	Annual Training Plans	x	x	x	x	x
Pangani DC	Capacity Building Programs	x	x	x	x	x
	Annual Training Plans	x	x	✓	✓	✓
Mtwara-Mikindani MC	Capacity Building Programs	x	x	x	x	x
	Annual Training Plans	x	x	x	✓	✓

Source: Auditors' Analysis of Interview Minutes, Capacity Building Programs and Plans.

Key:

✓	Connotes the presence of the capacity building program/plan
x	Connotes the absence of the capacity building program/plan

Table 3.6 shows that public institutions did not sufficiently develop annual training plans as per the requirements of the Training Policy for the Tanzania Public Service, 2003. The assessment of the visited public institutions in 5 financial years showed that only 4 out of 10 public institutions had developed institutional training plans while the remaining six (6) had not. These institutions included MoF, MoW, PSRS and TPSC.

The comprehensive training plans provided a detailed assessment of the competency and capacity gaps in the institutions and suggested a training intervention for each of the identified gaps. However, further analysis shows that public institutions prepared 3-year training plans. Still, they didn't prepare annual training plans except for PSRS, which had prepared both medium-term and annual training plans.

On the other hand, auditors expected 50 annual training plans in the ten (10) visited public institutions. However, only 21 out of the 50 annual training plans were developed in the ten (10) public institutions that were visited.

Further analysis shows that the assessed training plans addressed more technical competencies, leaving other leadership and core competencies not sufficiently covered. Additionally, the four training plans did not assess the working environment and how they will be enabled to support the development of competencies to the desired levels. Specifically, the training plans covered training requirements, not other elements of capacity gaps, and the enabling environment to support attaining the desired capacity levels. Further interviews pointed out low awareness among the staff managing training activities in the visited public institutions on the requirement to develop more comprehensive capacity-building programs and annual training plans.

As a result, the absence of effective capacity-building programs rendered the training activities ineffective and did not yield the required results. Preparing training plans that were not part of comprehensive programs did not provide room for merging the training needs into strategic plans, ultimately depriving training activities of effective resource allocation.

3.4.2 Development of Plans or Programs not based on the Analysed Challenges related to Staff Capacity Building

Para 4.4 (i) of the Training Policy for the Tanzania Public Service, 2013 requires public institutions to ensure that the training programs respond to the needs or challenges of different levels of public servants and contribute to the succession needs.

A review of capacity-building plans and implemented programs for the financial year 2018/19 - 2022/23 noted that the developed capacity-building plans were not based on the competence gaps identified during needs assessment and analysed challenges. **Table 3.7** indicates the training needs assessment challenges and the subsequent developed plans for sorting out the analysed challenges.

Table 3.7: Analysed Training Challenges versus Planned Training

Needs Assessment Challenges		Challenges in the Developed Plans	
Analysed Challenges	Cadre (Targeted Group)	Challenges in the Developed Plans	Cadre (Targeted Group) in the Developed Plans
Failure to recruit qualified staff	HR and Administrative Officers	X	X
Recruitment of non-citizens due to inadequate linkage of information among government entities, e.g. RITA, NIDA, NECTA, NACTE & TCU	HR and Administrative Officers	X	X
Inadequate skills in managing training and development of employees	HR, Acc & ICT	X	X
Inadequate competence management skills in Human resources management.	HR and Administrative Officers	V	V
Inadequate competence management skills in Human Capital Management Information System	HR and Administrative Officers	V	V
Inadequate competence in financial management and internal controls that cultivate fraud	Internal Auditors & Accountants	X	X
Inadequate competence in procurement and tendering processes	PMU officers	X	X

Needs Assessment Challenges		Challenges in the Developed Plans	
Analysed Challenges	Cadre (Targeted Group)	Challenges in the Developed Plans	Cadre (Targeted Group) in the Developed Plans
Inadequate awareness of staff circulars, regulations, standing orders, directives and other laws governing the public service.	HR and Administrative Officers	X	X
Inadequate management of records	RMA Staff	X	X
Lack of knowledge of electronic management systems.	HR, Administrative, and RMA	X	X
Inadequate skills in the use of ICT for improved communication	ICT officers	V	V
Total		3 out of 11	3 out of 11
Percentage (Challenges considered)		27	27
Percentage (Challenges not considered)		73	73
V	= Clearly Stated and Considered		
X	= Neither stated nor considered		

Source: Auditors' Analysis of Training Needs Assessment and Plan for the year 2021/22-2023/24

Table 3.7 shows that the developed plans for capacity building did not cover all the cadres of the Internal Auditors, Accountants and Procurement Management Unit (PMU) officers. On the other hand, Table 3.7 also indicates partial inclusion for capacity building for cadres of Human Resources (HR) and Administrative Officers, Records Management Assistants and Records Officers (RMA & RO) and Information and Communication Technology (ICT) officers. This indicates that less priority is given to capacity building of the support functions staff as compared to the core function of the entities.

Developing plans without considering analysed challenges hinders efforts towards eliminating skills and knowledge gaps and impacts public servants' performance and service delivery.

3.4.3 Inadequate Engagement of Stakeholders in Developing Capacity-Building Programs

Para 1.5 of the Human Resource Planning Manual requires an integrated approach to conducting human resources planning through linkage and coordination with different stakeholders. An integrated approach includes, among others, the execution of qualitative human resource demand forecasting through the identification of required competencies.

The Audit noted that public institutions had been engaging employees as a traditional approach to developing capacity-building programs. The development of plans started with the employees' engagement and was finalized by the heads of the departments and appointed teams within institutions. However, other categories of stakeholders, including customers, training institutions and professional bodies, were inadequately engaged. **Table 3.8** indicates the engagement status of public institutions' stakeholders.

Table 3.8: Status of Stakeholders Engagement in the Development of Capacity Building Programs

Relevant stakeholders	Categories of Public Institutions									
	Ministries		Independent Department		Parastatals			Local Government Authorities		
	MoF	MoW	PSRS	TPSC	PSSF	TRA	TPA	M-MC	MC	PDC
Supervisors	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Employees	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Customers	No	No	No	No	No	No	No	No	No	No
Training institutions	No	No	No	Yes	No	No	No	No	No	No
Professional Boards	No	Yes	No	No	No	No	No	No	No	No
Total	2/5	3/5	3/5	2/5	2/5	2/5	2/5	2/5	2/5	2/5

Source: Auditors' Analysis of the Conducted interview, Training plans and Programs (2023)

Key

Yes	Connotes engagement
No	Connotes non-engagement

Table 3.8 shows that there have been varying instances of engagement and non-engagement of stakeholders during the preparation of capacity-building programs. Generally, only two of the five major stakeholders were involved in the development of capacity-building plans. The commonly engaged stakeholders are the supervisors and employees. This was observed to be the practice in all of the ten (10) visited institutions.

On the other hand, there was little engagement from customers, training institutions, and professional boards as stakeholders in the preparation of training programs or capacity-building programs. The Ministry of Water is the only institution that engaged professional boards during the preparation of their capacity-building plans. Similarly, only TPSC engaged the training institution in the development of its training plan or capacity-building program. No institutions engaged customers or service beneficiaries in the preparation of their training or capacity-building plans.

Interviews with officials of the visited public institutions noted that inadequate engagement of stakeholders in developing capacity-building programs was attributed to a lack of guiding tools for developing capacity-building programs.

As a result, the developed plans did not address the actual needs of the sector as per the current market demand to a great extent. This makes the training conducted not sufficiently relevant in the current marketplace and does not address the truly identified competence gaps aimed at solving the performance challenges public servants encounter. This shortcoming may, in the long run, affect the performance of public servants.

3.5 Inadequate Implementation of Capacity-Building Programs to Enhance Staff Competency

Para 6.1.1 of Public Service Training Policy 2013 entails that the Ministry responsible for Public Service Management will be responsible for the overall management of the training function in the public service. In particular, the Ministry will oversee the implementation, monitoring and evaluation of the implementation of the training policy and encourage the formation of associations of accredited training and education providers to ensure effective design, coordination and delivery of competence-based programs that cater for current and future public service needs. The ministry shall also oversee the setting of standards and accreditation and ensure quality assurance in training programs for public service.

However, in the review of the status of capacity-building programs for sampled institutions, it was found that none of the ten visited public institutions sufficiently implemented their programs that were intended to address the competency gaps in the public sector. The noted weaknesses include ineffective action plans, inadequate resource allocations, limited models for implementing programs, programs not effectively addressing organizational goals and ineffective evaluation and corrective actions for implementing the capacity-building programs. The findings on these factors are presented in the following subsections.

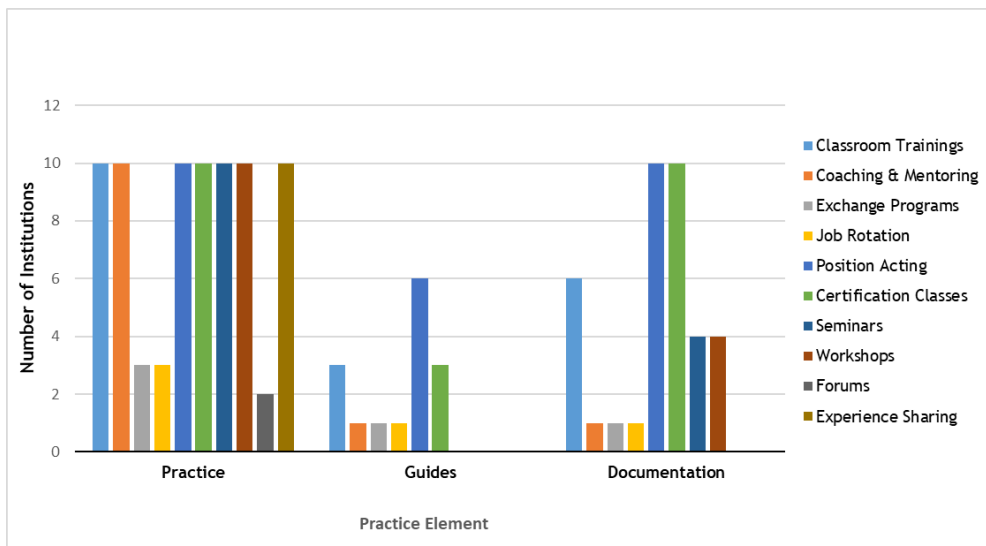
3.5.1 Undocumented Implementation of Capacity Building Initiatives

Para 6.1.3 of the Public Service Training Policy 2013 requires all public institutions, in collaboration with training committees, to document and report to PO-PSMGG on all capacity-building activities undertaken in the institutions within a year. The public institutions were expected to undertake different training activities with sufficient documentation and report them to PO-PSMGG.

However, interviews with officials responsible for coordinating training and other capacity-building activities from the visited public institutions found that the visited institutions have been undertaking different sorts of capacity-building works which were aimed at building the capacity of their

staff; however, they were neither sufficiently documented nor integrated into the overall organizational programs. The Audit assessed different capacity-building initiatives from each visited entity and presented results in **Figure 3.3**.

Figure 3.3: Assessment of Capacity Building Initiatives in the Visited Public Institutions



Source: Auditors' Analysis of Interview Minutes, Reports, Guideline on Capacity Building Initiatives (2023)

The audit observed that these initiatives were used by employers and practised in different departments within organizations, but they were not sufficiently integrated into the organizational capacity-building programs. The Audit noted that the extent of implementing documented and undocumented capacity-building initiatives was categorized into two groups. The first group consisted of capacity-building initiatives practised in the majority of public institutions and those practised in a few institutions only. The commonly practised capacity-building initiatives include classroom training, coaching and mentoring, certification classes, seminars, workshops and experience sharing.

All 10 visited public institutions reported implementing traditional classroom training, coaching, mentoring, certification classes, seminars,

workshops, and experience sharing. Despite being implemented, the documentation aspects, including reporting, plans, evaluations and accountability, were not being done except for classroom training, which was reported, planned, evaluated and accounted for.

However, some of the initiatives were implemented in very few institutions. For instance, the exchange programs were observed to have been implemented only at TRA, TPA and PSSSF. This was mentioned to be among the most effective capacity-building programs. However, its implementation was limited because of the nature of the activity, which carries high costs for the institutions. Also, job rotation was another practice that was observed in 3 out of the 10 visited institutions, including PSSS, TRA, and TPA. However, the practice was limited only to operational departments rather than support departments, where rotation was deemed impractical. The third uncommon practice was forums, which were reported at PSSSF only.

Regarding the guidance, the Audit noted that only four (4) out of the ten (10) visited institutions developed their internal training guidelines, including TRA, TPA, PSSSF and the Ministry of Finance. In a different case, TRA had developed an additional guideline on coaching and mentoring, which was not observed in all other institutions.

The interviews with officials responsible for managing training and capacity-building programs in the visited public institutions found that the main reasons for undocumented capacity-building initiatives were mainly due to insufficient guidance on developing and implementing the programmes within their institutions. According to the interviewed officials, training was considered a capacity-building activity only when it was planned and reported regarding capacity enhancement. Other types of interventions were considered to be individual or departmental initiatives rather than institutional tasks. The existing public service training policy was narrow, covering only traditional training and overlooking other possible capacity-building activities.

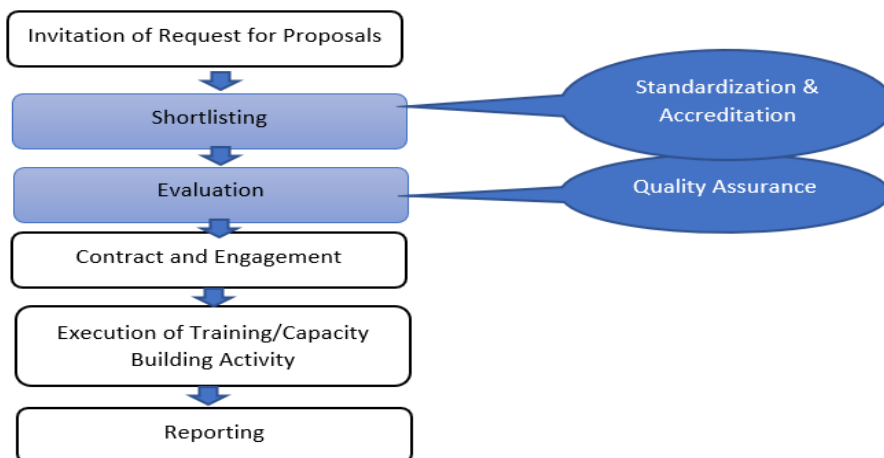
As a result, the inadequate documentation and guidance on other capacity-building activities obscure the effect of other capacity-building activities within organisations. Additionally, the limited scope of training deprives staff of public institutions of other forms of capacity building within their institutions using their in-house capacity building machinery, which would have been delivered at a lesser cost, and tailor-made capacity enhancement programmes could have been developed.

3.5.2 Inadequate Standardization and Quality Assurance for Training Service Providers in the Public Sector

Para 6.1.1 of the Public Service Training Policy requires PO-PSMGG to set standards and quality assurance in training programs for the public service. The same para also requires PO-PSMGG to monitor and evaluate training service providers to ensure compliance with desired quality and standards.

However, the interviews with officials at PO-PSMGG found that PO-PSMGG has not developed the required standards and framework for quality assurance of training service providers in the country. Similarly, the Ministry has not been able to set standards for training services delivered to the public. The standards were expected to be used as a guide during the selection of training service providers in the country. The overview of the selection process and application points is presented in Figure 3.4 below.

Figure 3.4: Overview of the Engagement of Training Providers for Quality Assurance and Standardisation



Source: Auditors' Analysis of Interview Minutes, Public Sector Training Policy and Procurement Evaluation reports

Figure 3.4 entails that public institutions are not sufficiently training service providers regarding standardisation, accreditation, and quality assurance. Currently, the training service providers in the public sector are not scrutinising whether the training they deliver meets any set standards or is of the desired quality by the PO-PSMGG. This is neither done at the PO-PSMGG level nor at the level of individual public institutions.

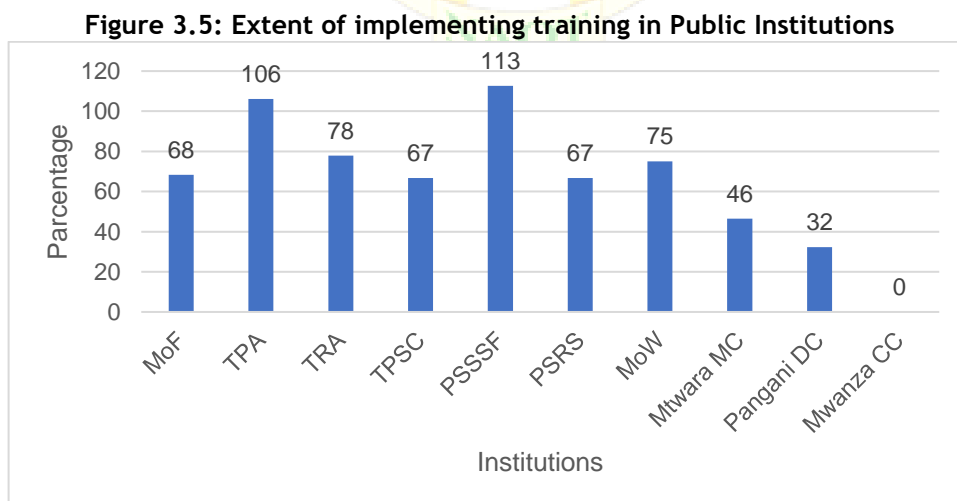
On the other hand, PO-PSMGG has not established the quality assurance framework, which was supposed to provide a framework for engaging qualified training service providers in the public sector who can deliver effective training. The engagement process of trainers and other facilitators for capacity-building activities outside their institutions did not undergo quality assurance evaluations. The evaluation of trainers and other capacity-building service providers involved only the financial evaluation and consideration of low-evaluated bidders but did not involve the ascertainment of the quality of the trainers or other parameters that would have ensured the delivery of high-quality and effective capacity-building activity.

As a result, the absence of a quality assurance framework and standardisation presents a risk of engaging low-quality training service providers and delivering content that is not up to standards. Ultimately, there is a risk of providing ineffective training that does not enhance staff competency in the public sector.

3.5.3 Inadequate Action Plans for Implementing the Capacity Building Programs to Enhance Staff competency

Based on Para 2.2.3 of the Management Standard Checklist for the Public Service, 2011, government institutions must develop action/business plans annually. These plans must be drawn only from the strategic plans and MTEF and adhere to standards mentioned in the Medium-Term Strategic Planning and Budgeting (MTSPB) manual. In addition, the plans must show evidence of employees' involvement in developing the plan and report only on the outputs mentioned in the plan.

Review of the planned training in the Action Plan of the institution's Strategic Plan and MTEF and compared it with the actual training implemented for each visited entity. The Audit compared the planned number of staff to be trained with the actual number of staff who received training as illustrated in Figure 3.5.



Source: Action Plan, MTEF, Training implementation report 2018/19-2022/23

Figure 3.5 shows the existence of public institutions that implement training by more than 100 per cent. These Public institutions included the Public Service Social Security Fund (PSSSF), which implemented planned training by 113%, while the Tanzania Ports Authority (TPA) achieved 106%. The figure also shows that some public institutions did not implement all of their planned training. These institutions included the Ministry of Finance (MoF), Mtwara-Mikindani Municipal Council (MCC), Pangani District Council (PDC), Ministry of Water (MoW), Tanzania Revenue Authority (TRA), Public Service Recruitment Secretariat (PSRS), and Tanzania Public Service College (TPSC).

Through the interviews of officials from selected government institutions, it was noted that ineffective implementation of the action plan was caused by institutions assigning a low priority to the plans during implementation. The low prioritisation resulted from an inadequate assessment of the value accrued from their staff in terms of improved performance. As a result of not realising the value, they ended up allocating fewer resources to invest in the capacity building of their staff.

Consequently, public institutions that ineffectively implemented their action plans led to their staff possessing inadequate competency. As a result, government institutions fail to meet the targeted objectives set in the institution's strategic plan. In addition, the aggregation of not meeting the target of objectives set in the institution's strategic plan affected the overall achievement level of Tanzania's development goal for 2025.

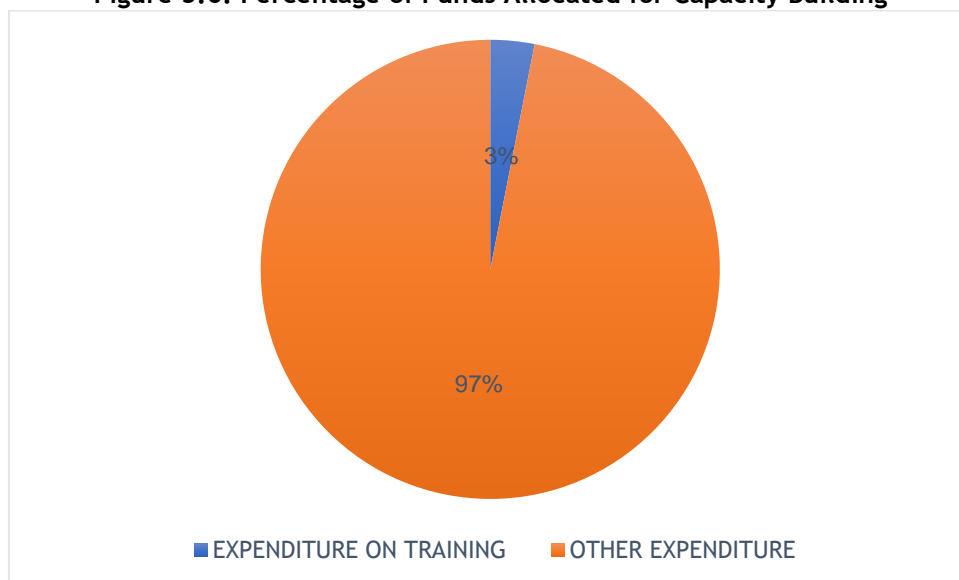
3.5.4 Insufficient Resource Allocation for Enabling the Implementation of Capacity-Building Plans or Programs in the Public Sector

Para 4.3 of the Training Policy for the Tanzania Public Service, 2013, requires public institutions to mobilize and allocate resources for training in the public service.

The reviewed planned and implemented budgets in all ten audited public institutions have shown that the budget allocated for capacity-building programs was insufficient to meet the institution's requirements. There have been different circumstances regarding the funding, including

underfunding, which was observed to be more prevalent because the commitment was given to other competing priorities.

Figure 3.6: Percentage of Funds Allocated for Capacity Building



Source: Institutional Expenditure Budget 2018/19-2022/23

Figure 3.6 indicated that only 3% of total funds were utilised on selected institutions' capacity-building programs. The highest percentage was 7.8% at PSRS, and the lowest was 0.1% at Mtwara-Mikindani Municipal Council in Mtwara Region. By interviewing government officials from selected institutions, it was revealed that the budget allocated for training was insufficient to meet the requirement for capacitating their staff. The officials added that insufficient capacity-building funds resulted from allocated funds being redirected to other competing areas with priority.

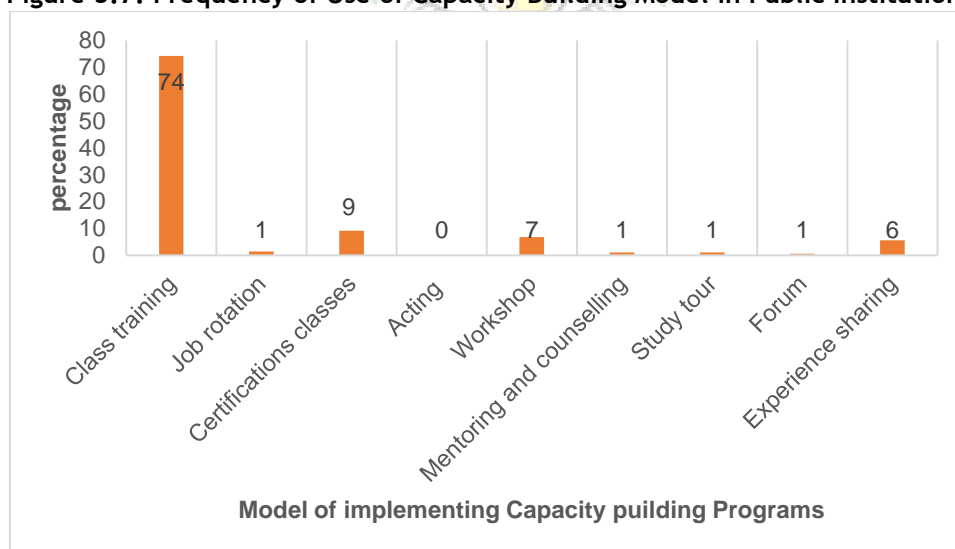
As a result, inadequate budgeting and release of funds for training resulted in the Mtwara-Mikindani Municipal Council and Pangani District Council implementing fewer training activities than planned. This, in turn, resulted in frail growth of staff competencies and skills at respective councils.

3.5.5 Limited Models for Implementing Capacity Building Program

Para 2.2.3 of Management Standard Checklist for the Public Service, 2011 on M&E stipulates that MDAs must do/have capacity-building strategies such as training, recruitment and staffing, computerized systems and other M&E processes;

A review of the models that were used when implementing capacity-building programs revealed that the models that were used included class training, job rotation, attending certification classes such as Certified Public Accountants Professional Engineers, acting on position, practical model (workshop), mentoring, counselling, study tours, forums and experience sharing. Through review of the selected institutional progress reports the Audit noted that all ten visited institutions preferred using classroom training to implement capacity-building programs. Other models such as job rotation, certification classes, acting on position, practical model (workshop), mentoring, counselling, study tours, forums and experience sharing were not prioritized. This was also supported by their list of training programs implemented by respective institutions.

Figure 3.7: Frequency of Use of Capacity Building Model in Public Institutions



Source: Training Implementation Report 2018/19-2022/23

Figure 3.7 shows that public institutions' most popular training model was class training compared to mentoring, on-the-job training, workshops, certification classes, study tours, sharing experiences, and using forums. Seventy-four per cent (74%) of all capacity-building undertakings were implemented via class training. In addition, some capacity-building implementation models were not in the implementation report. For example, in their implementation report, none of the ten (10) selected institutions indicated 'acting on positions' as a capacity-building model.

The class training model is preferred because of its ease of implementation. However, none of the ten (10) audited public institutions have conducted comparative assessments of the competitive advantages of different training modalities. Nevertheless, all entities considered class-based methodology a one-size-fits-all solution for problems with all capacity needs. This short-sighted approach has impacted staff competency, which was meant to be acquired by other training approaches such as mentoring, intentional delegating through acting on position, practical mentoring, counselling, study tours, forums, experience sharing, etc. Even though some of these models have no cost implications, none of the audited public institutions had documented plans to use these approaches. The Audit noted that if no action is taken to re-adjust the training modalities, the competency gaps in these public institutions will continue to widen.

3.5.6 Implemented Capacity Building Programs Not Addressing Organisational Competency Needs

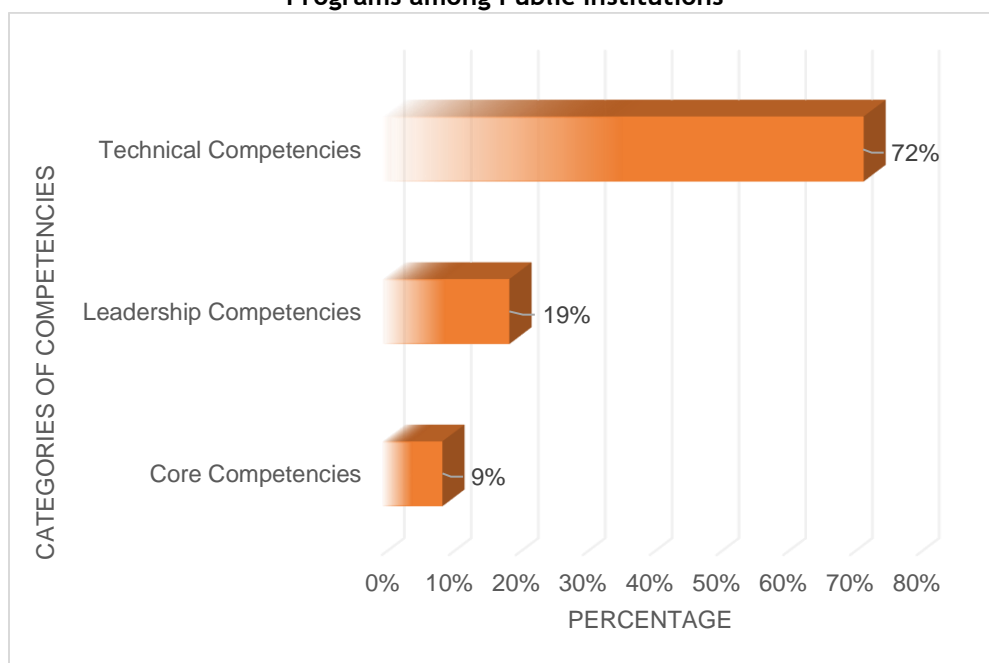
According to para 4.1 of Training Policy for the Tanzania Public Service, 2013, government planners and decision-makers must ensure that their institutions have capable human capital regarding the correct number of people with the right skills, competencies, attitudes and ethics. Para 6.1.1 of Training Policy for the Tanzania Public Service, 2013 specifies that the ministry responsible for public service management will be responsible for the overall management of the training function in the public service. In particular, the ministry will set standards, accreditation and quality assurance in training programs for the public service.

However, none of the ten visited public institutions had a written document for their competency framework. The only documented competency

framework is a leader’s competency framework developed by the PO-PSMGG in 2008. The lack of a competency framework for other staff not in leadership positions has affected the audited entities as they cannot systematically assess the competency of their staff, particularly in terms of acquired knowledge, skills, and character or behaviour.

On the other hand, the Audit found that, despite not having a defined competency framework in the visited public institutions, the capacity-building programs that were executed across public institutions were limited to a few competency aspects, as shown in **Figure 3.8**.

Figure 3.8: Coverage of Competencies in the Implemented Capacity Building Programs among Public Institutions



Source: Auditors’ Analysis on the Implemented Capacity Building Programs (2023)

Figure 3.8 indicates that 72% of all capacity-building interventions implemented in the ten visited public institutions addressed technical competencies; meanwhile, 19% addressed leadership competencies. The remaining 9% were addressing core competencies.

The lack of a written competency framework for people with no supervisory responsibilities has impacted how audited public institutions plan their capacity-building programs. The implemented programs did not effectively address organizational competency needs. For example, in a public institution, competencies such as strategic thinking, analytical thinking, persuasion, and influencing were not adequately covered in implemented capacity-building programs.

Staff who are not in leadership roles are the most affected. Most of them are in production activities and need sufficient capacity to perform efficiently. In addition, the competency framework for leaders of 2008 has not been reviewed for more than 14 years despite the fast changes in work practices due to the rapid development of science and technology in the world. Furthermore, no guidance tool/manual has guided public institutions in executing the competency framework available to capture all main and subcategories of competencies needed.

3.5.7: Ineffective Implementation of Leadership Competency Framework (LCF)

Para 1.3 of the Tanzania Public Service Leadership Competency Framework requires all public institutions to customize the respective competency framework expected to guide leadership development initiatives. The leadership competency framework initiated by the Division of Human Resource Development at PO-PSMGG is comprised of four elements: leadership model, profiles, map, and curriculum outline.

Additionally, para 4.3 of the training needs assessment manual requires public institutions to assess the leadership competencies and determine respective training and development actions in a way that meets the leadership competency framework.

However, interviews with officials from PO-PSMGG and the ten (10) visited public institutions found that 9 out of 10 public institutions have not used the leadership competency framework as required by the PO-PSMGG. Auditors assessed the framework's implementation level from the visited public institutions by enquiring about their knowledge and the

implementation of the framework in their capacity-building programs, especially for their leaders. The results of the assessment are presented in **Table 3.9**.

Table 3.9: The Extent of Knowledge and Implementation of the Public Service Leadership Competency Framework (LCF)

Institution	Knowledge of the LCF	Use of LCF
MoF	✓	✗
MoW	✗	✗
PSSSF	✗	✗
PSRS	✓	✗
TPSC	✓	✓
TRA	✗	✗
TPA	✗	✗
Mtwara-Mikindani MC	✗	✗
Pangani DC	✗	✗
Mwanza CC	✗	✗

Source: Auditors' Analysis of Interview Minutes (2023)

Key

✓	Connotes the presence of aspect in the column
✗	Connotes the absence of the aspect in the column

Table 3.9 generally shows that the leadership competency framework has not been used in 9 out of the 10 visited public institutions. Nevertheless, the public institutions were not even aware of the document. Out of the 10 institutions, only 3 had knowledge of the competency framework. Further scrutiny, however, established that the visited institutions did not have the document in their possession.

The interviews with the officials from the visited public institutions pointed out that the capacity-building programmes for their top leaders were based on their institutional needs assessment models, including TNAs and the needs established from their performance management systems. The officials responsible for the development of capacity-building programmes in the visited institutions pointed out that the programs for their leaders were proposed by their immediate top leaders from the middle to the top

levels. However, the top leaders of the institutions, including CEOs and DGs, were not included in the suggested needs assessment but rather provided their own suggestions.

The Audit n noted that the main reason for the ineffective implementation of the leadership competency framework among the visited institutions was the awareness aspect of the existing leadership competency framework. The officials pointed out that implementing the framework was not a challenge, but public institutions lacked enough awareness and guidance on how the framework would be implemented to capacitate their leaders.

Consequently, the ineffective implementation of the leadership competency framework affects the extent to which the public service sector achieves its strategic objectives on performance excellence and leadership development, public service delivery, recruitment and retention.

3.5.8 Inadequate In-House Capacity Building Frameworks

Para 1.4.2 of the Training Policy for the Tanzania Public Service, 2013 requires the presence of in-house training teams as one of the results of the public service reform programme. As a result of the programme, public institutions were expected to develop strong in-house teams to undertake tailor-made programmes and courses to enhance their staff competency and performance levels.

However, auditors have established insufficient in-house teams for undertaking training and other capacity-building initiatives using their internal teams. The Audit assessed the extent of dedicated capacity-building teams within organisations and the extent to which they have undertaken the capacity-building activities and presented the results in **Table 3.10**.

Table 3.10: The Assessment of Effectiveness of In-house Capacity Building Frameworks

Institution	Status of In-House Capacity Building Team	No. of Capacity Building Initiatives Executed Using In-House Teams (2018/19-2022/23)
MoF	✓	3
MoW	✗	0
PSSSF	✓	5
PSRS	✗	0
TPSC	✓	4
TRA	✓	-
TPA	✓	-
Pangani DC	✗	0
Mtwara-Mikindani MC	✗	0
Mwanza CC	✗	0

Source: Auditors' Analysis of Training Implementation Reports, Interview Minutes (2023)

Key

✓	Connotes the presence of an in-house team
✗	Connotes the absence of an in-house team

Table 3.10 shows that there have been inadequate in-house capacity-building initiatives in the visited public institutions. The table shows specifically that 5 out of the 10 visited public institutions had dedicated teams for undertaking in-house training and other capacity-building initiatives. Further scrutiny has shown that only TRA, TPA, TPSC, and PSSSF have a dedicated team specifically identifiable as an in-house team for undertaking training. However, the Ministry of Finance did not have a team specifically dedicated to capacity building. Still, it was readily assembled from the existing list of staff when the need arose.

Further analysis has pointed out that only 12 training sessions were conducted by the in-house capacity-building teams. Further discussions with officials responsible for coordinating training from the visited public institutions revealed other undocumented capacity-building activities undertaken by the internal teams. These activities, such as mentorship and coaching programmes, were not officially reported.

The interviews with officials from the visited public institutions pointed out that the main reason for having inadequate in-house capacity-building staff was the absence of a clear framework for guiding the respective in-house staff. It was pointed out that those institutions comprised competent staff enough to train others. However, there was no proper guidance and framework on how the teams would be chosen and how they would undertake the roles.

As a result, insufficient in-house capacity compels institutions to outsource capacity-building to service providers, which is an additional cost to the government. Additionally, the in-house capacity-building teams are more likely to provide tailor-made training that is more relevant and applicable to the institution's operations. Therefore, the absence of the teams denies the government an opportunity to implement more effective training in a less costly manner.

3.5.9 Ineffective Training Implementation Framework

Para 6.1.1 of the Training Policy for the Tanzania Public Service, 2013 requires the Ministry responsible for the Public Service Management (PO-PSMGG) to evaluate training programmes, including training service providers, to ensure quality and standards. In addition, Para 2.2.2 of the Management Standard Checklist for the Public Service, 2011, requires government institutions to evaluate at the end of each capacity-building program.

Through interviews with officials from selected institutions, it was revealed that evaluations on implemented capacity-building plans are not effectively done. Apart from conducting an immediate evaluation after the training, none of the visited entities had conducted a detailed evaluation of the implemented capacity-building program. The ineffectiveness of the training implementation system was also linked to insufficient content review of the delivered training, as summarised in **Table 3.11**.

Table 3.11: The Assessment of Training Implementation Phases

Institution	Implementation Phase							
	Engagement in Training Preparatory Activities	Content Review	Training Supervision	Delivery	Training implementation report	Participation Monitoring	Training evaluation	
							Immediate	Post-implementation
MoF	✓	✓	✓	✓	✓	✗	✓	✗
MoW	✗	✗	✓	✓	✗	✗	✓	✗
PSRS	✓	✗	✗	✓	✓	✓	✓	✗
TPSC	✗	✗	✓	✓	✓	✓	✓	✗
TRA	✓	✗	✗	✓	✓	✓	✓	✓
TPA	✓	✗	✗	✓	✓	✓	✓	✗
PSSSF	✓	✗	✓	✓	✓	✓	✓	✗
PDC	✓	✗	✗	✗	✗	✗	✗	✗
MMC	✓	✗	✗	✗	✗	✗	✗	✗
MCC	✓	✗	✗	✗	✗	✗	✗	✗

Source: Auditors' Analysis on the Training report, evaluation report and implementation report (2023)

Key

✓	Connotes performance of aspect
✗	Connotes non-performance of the aspect

Table 3.11 shows the implementation phases and stages unintentionally skipped during training implementation. For example, 9 out of 10 visited institutions did not review the content of the training materials. This was attributed to a lack of control over what is trained and the development of practical terms of reference or guidance to the training implementer. The entities knew the overall picture of what was trained but not the details of the training contents. As a result, there is a potential risk that the organization will not meet its established training objectives.

Similarly, only 1 out of the 10 visited institutions undertook the post-implementation evaluation of the training to assess the impact of the training undertaken.

Almost all selected institutions undertook an immediate training evaluation, resulting from the trainer's terms of reference for undertaking the evaluation. However, the post-implementation evaluations were not done. Six (6) out of ten (10) visited institutions were observed to have prepared training reports, except for the Ministry of Water, Mtwara Municipal Council and Pangani District Council, which had not been preparing training reports.

In an interview with officials from the institutions we visited, it became clear that one of the main reasons for the inadequate implementation framework for training was a lack of strong management control to make sure that the human capital in charge of training activities followed relevant guidelines. However, the audit found that the current training manual did not provide effective guidance on how the evaluations will be done and the contents of evaluation reports for executed programs.

Consequently, if capacity-building programs are not evaluated, their impact will not be measured to assess their effectiveness. As a result, the government will continue to fund capacity-building projects with little guarantee of success. Furthermore, it will hinder the ability of the staff in those institutions to identify and prioritise areas that require more room for improvement.

3.5.10 Inadequate Alignment between the Capacity Building Program Implemented and the Succession Plan

Para 6.1.2 of Training Policy for the Tanzania Public Service, 2013 requires that all Ministries, Independent Departments, Local Government Authorities (LGAs), Regional Secretariats and other Government Agencies prepare succession plans and align them with their training programmes.

However, interviews with government officials revealed that the capacity-building programs that were conducted were not aligned with a succession plan. Out of ten visited entities, six did not have succession plans. In

institutions that had succession plans, there was no linkage with their different capacity-building program.

Lack of this linkage was also associated with not regularly updating their seniority list as required. According to the responses of interviewed officials, the non-alignment between the capacity-building program and the succession plan was caused by unrealistic succession plans which could not be followed. This is because people were promoted to leadership positions without considering the succession plan. It was difficult to base or comply with the entities' succession plan because some leadership positions were appointed from other organizations. This practice left out those who were earmarked in the entity-level succession plan, resulting in the ineffective implementation of a succession plan.

As a result, a lack of alignment between the implemented capacity-building program and the succession plan may result in a lack of insight into employee capabilities, poor succession planning, and talent pool scarcity.

3.5.11 Non-supportive Working Environment for Enhancing Staff Competence

Para 4.1.1 of Management and Employment Policy in Public Service, 2008 requires that along with the wages given to the employee, his well-being also depends on other benefits provided by the employer. These benefits include a good working environment, health care, workplace safety, transportation, housing, recognition and appreciation.

The policy has established a procedure that ensures that public servants are provided with a conducive working environment for their well-being to increase productivity and efficiency at work.

However, through site visits to selected government institutions, it was observed that the working environment for the Mtwara-Mikindani Municipal Council in the Mtwara Region and Pangani District Council in the Tanga Region were not conducive to the implementation of capacity-building programs. Auditors observed working environments that did not support the growth of staff competence. For example, there were crumbling buildings,

unorganised laboratories for workshops, ICT facilities and video conferencing. Not all regional public institutions have conducive working environments, such as ICT facilities, internet, electricity, water, computers, etc., to implement capacity-building programs.



Photo 1: The photos show the two working environments: A conducive working environment on the left-hand side and a non-conductive working environment on the right-hand side. (The photos were taken by auditors on 8 December 2023)

From the displayed photos, a conducive working environment on the left-hand side is characterised by a spacious room, necessary power sources, printing devices, and internet services. It is well-ventilated and has enough natural light. This working environment nurtures competencies and allows staff to utilize learned skills and acquired knowledge effectively. A conducive working environment supports the growth of competencies.

On the other hand, the non-conductive working environment on the right-hand side in one of the visited LGAs is characterised by a dilapidated building that lacks internet, a document cabinet, and dust bins. Likewise, the room was small compared to the number of staff working there, with poor air conditioning, small windows, and worn-out furniture and equipment.

According to researchers, the working environment contributes to the effect of capacity-building programs implemented within organisations. Pangani District Council represented district councils with a non-conductive working

environment for implementing capacity-building programs. These Councils are located in remote areas where electricity, road infrastructure, internet, and clean and safe water are difficult to find. Mtwara-Mikindani Municipal Council represented the urban councils with a non-conducive working environment, lacking maintenance and important infrastructure necessary for enhancing the effectiveness of capacity-building programs.

3.6 Ineffective Performance Management System

Regulation 22 (2) of the Public Service Regulations (2022) requires every public institution to operate performance contract systems, including institutional and individual performance contracts. The performance contract and management systems are expected to facilitate performance planning, strategy execution, performance monitoring, reviews, assessment and feedback during the implementation of annual objectives and targets at institutional and individual public servant levels.

However, the review of performance management systems within the government found weaknesses that affect the objectives of establishing performance management systems. These include ineffective transitions from the old to new systems, variations within the government, ineffective integration of performance management systems with other human resource parameters, faulty application and weak controls in the administration of performance management systems, as detailed below.

3.6.1 Ineffective Transitioning from OPRAS to PEPMIS and PIPMIS

Para 2.5 of the PO-PSMGG Strategic Plan (2021/22 - 2025/26) requires the Ministry to facilitate regular performance monitoring of all public institutions to ensure that the performance of all public employees is reviewed. PO-PSMGG is currently transitioning from OPRAS to PEPMIS and PIPMIS. To have an effective transition, PO-PSMGG was expected to have set clear plans, communicated them to all institutions and develop piloting of the new systems before full customization.

However, the observations made during the audit based on the ten audited institutions found that the transition from OPRAS to PEPMIS and PIPMIS was

not effectively planned and executed. An uncontrolled transition created a gap in performance monitoring in public institutions. **Table 3.12** shows the gap in performance monitoring created during the transitioning period, particularly from the second quarter of the financial year 2022/23.

Table 3.12: Performance Management Transitioning Overview

PMS System	Entity	1 July 2022 - 30 June 2023	1 July 2023 - 30 October 2023
		Performance Monitoring Status	Performance Monitoring Status
OPRAS	MoF	Ceased except for promotions	Ceased
	MoW	Ceased except for promotions	Ceased
	PSSSF	Used Modified OPRAS	Ceased
	PSRS	Ceased except for promotions	Ceased
	TPSC	Ceased except for promotions	Ceased
	TPA	Ceased	Ceased
	TRA	Not Applicable	Ceased
	MMC	Ceased	Ceased
	PDC	Ceased	Ceased
	MCC	Ceased	Ceased
PEPMIS & PIPMIS	MoF	Non-existent	No Training Launched
	MoW	Non-existent	No Training Launched
	PSSSF	Non-existent	No Training Launched
	PSRS	Non-existent	No Training Launched
	TPSC	Non-existent	No Training Launched
	TPA	Non-existent	No Training Launched
	TRA	Non-existent	Not Applied ¹⁰
	MMC	Non-existent	No Training Launched
	PDC	Non-existent	No Training Launched
	MCC	Non-existent	No Training Launched

Source: Auditors' Analysis of Interview Minutes from visited public institutions (2023)

¹⁰ TRA is using Balanced Score Card (BSC) as its Performance Management System

Table 3.12 generally shows that performance measurement was ineffective in the public sector for the past two financial years. In the financial year 2022/23, four (4) of the ten (10) visited public institutions used OPRAS for promotion purposes only but not for performance measurement. During that period, four institutions completely ceased using any performance measurement system. Since July 2023, all public institutions ceased using OPRAS as a performance measurement system. However, the newly introduced PEPMIS and PIPMIS have not been officially launched, as many institutions are still undergoing training.

Generally, the transition from the previous OPRAS to the current PEPMIS and PIPMIS was done in a manner that created a period for which public employees' performance was not being monitored. The review of these activities among the visited public institutions established that the last performance monitoring phase was for the period ending the financial year 2022/23. The public institutions did not conduct performance monitoring from the financial year 2023/24, where PO-PSMGG instructed them to wait for the new system piloted in the same period.

Through discussions with officials from PO-PSMGG, it was established that the transition between the two performance management systems (OPRAS and PEPMIS/PIPMIS) was not effectively planned, and its implementation strategy did not foresee the gap that would be created during the piloting and adoption of the new performance management system. As a result, a miscalculated transition has created an information gap and has affected the overall functioning of PO-PSMGG to ensure regular performance monitoring of the public employees.

This is because public employees' performances were not assessed in the nine visited institutions. By then, the OPRAS system was not effectively being used due to the expectations of the newly announced system. In addition, the transition did not guide how previous performance data would be integrated with the current performance data, particularly with matters decided by performance review reports, such as promotions and awards.

3.6.2 Variations in Performance Management Systems within Public Institutions

Regulation 25(1) of the Public Service Regulations 2022, requires every employee in the public service to sign individual staff performance contracts with their respective supervisors every year through the open performance review and appraisal system. The open performance review and appraisal are supposed to be conducted semi-annually and annually when the performance appraisal is completed and signed off for annual evaluation.

However, the review of the performance management systems has found different systems being used in the visited entities to assess the performance of their employees. The Audit noted that four major categories of performance management systems were used in the government, and every system had a different performance evaluation algorithm.

The first category of institutions that used the original OPRAS system, which was being phased out, included the Ministries of Finance, Water, TPSC, and PSRS. These four institutions did not have an alternative system for performance management, while PIPMIS & PEPMIS had not been customised by the time of this audit. The second category of public institutions was piloting the current PEPMIS and PIPMIS, including PSRS and TPSC. These two public institutions had started piloting the current PEPMIS/PIPMIS without full rollup within the organizations. The third category of public institutions used the modified OPRAS system with newly added features from the original OPRAS, and some have modified performance scores algorithms, especially on the overall performance marks. One of the institutions visited in this category is PSSSF.

The fourth category of public institutions used the Balanced Score Card (BSC), where the performance and scores evaluation used algorithms different from the OPRAS or PEPMIS & PIPMIS. These institutions have been using BSC for a long time, even before the introduction of the new PEPMIS and PIPMIS. One of the institutions visited in this category is the Tanzania Revenue Authority.

Based on the interviews with human resource officers responsible for performance management systems, the variations in the performance management systems resulted from inadequate enforcement of the requirements of the Public Service Act Cap. 298 and Public Service Regulations, 2022. This was observed despite the fact that regulation D. 62 of the Standing Orders in the Public Service of 2009 allows employers to customize the forms used in measuring the performance of the staff after obtaining the approval of the Permanent Secretary (Establishment).

As a result, variations of the performance management systems in the public sector minimized the effectiveness of PO-PSMGG in managing staff performance in the public sector. PO-PSMGG had insufficient control over public institutions or individuals applying performance management systems other than OPRAS.

3.6.3 Ineffective Integration of Performance Management Systems with Other HR Parameters

Regulation 27 of the Public Service Regulations of 2022 has pointed out different parameters related to human resource management, which are connected and have to be influenced by the performance management systems, as indicated in **Table 3.13**. Additionally, section VII subsection 40 of the United Nations Development Program Performance Management Model suggests that rewards, recognition, and sanctions are an integral part of the performance management systems within the performance management and development policy framework.

However, the review of the administration of the previous and current performance management systems found that the systems were not integrated with other human resource parameters among the visited organizations. The performance appraisals were only done just as any other activity within an organization, and the results were used in a very limited manner in other human resource or administrative matters. The following were some matters that were integral to the performance management system.

Table 3.13: The Assessment of Influence of PMS systems on other HR Parameters

HR Parameter	Influence	Observations
Performance Rewards	Limited Influence.	Other parameters highly influence performance rewards, including the decisions made by top organisational management. (As per Regulation 27(7)(c) of Public Service Regulations of 2022)
Training Programs	Limited Influence	Only 1 out of the five visited institutions had a PMS system that informs training programs. In other entities, training programs were primarily based on TNAs or available training opportunities. (As per Regulation 27(7)(a) of Public Service Regulations of 2022)
Promotions	Moderate Influence	This was effectively integrated during time-based promotions but did not inform performance-based promotions within public institutions. Time-based promotions were nearly automatic to everyone. Outstanding performers were not entitled to performance-based promotions as a result of PMS. (As per Regulation 27(7)(d) of the Public Service Regulations of 2022)
Sanctions	Limited Influence	There were no effective sanctions due to bad performance in the PMS. (As per Regulation 27(7)(e) of Public Service Regulations of 2022)
Transfers IN and OUT	Limited Influence	The transfers IN and OUT are not influenced by the performance appraisals as a means of improving efficiency. The transfers in and out are based on individual influences or other disciplinary matters unrelated to PMS to increase efficiency or reduce inefficiencies in any position. (As per Regulation 106(1) of the Regulation Public Service Regulations of 2022)

Source: Auditors' Analysis on the Interview Minutes (2023)

Table 3.13 shows how the performance management system influences key human resource parameters associated with performance. The audit has discovered that PMS has a limited influence on key human resource

management matters. Moreover, there was no effective completion of the PMS, except for a few staff in professional positions who would do so if it could potentially lead to promotions. In some cases, promotions relied on commitment letters from the respective institutions to the PO-PSMGG rather than on a thorough evaluation process.

The audit observed that the performance management system was ineffective, except for a few staff in professional positions. Additionally, there was a lack of regular feedback during the evaluation process, and the process itself was deemed unfair and biased.

The absence of a performance or incentives system, despite the emphasis on this requirement in para 2.3.4 of the Management Standards Checklist 2011, contributed to the ineffectiveness of performance measurement among the visited institutions. When there is no structured system to reward or incentivize employees based on their performance, the motivation to actively engage with performance evaluation tools diminishes.

The presence of ineffective performance measurement tools was attributed to various factors. One of the causes is the insufficient awareness among staff regarding the importance of performance evaluation tools. Additionally, weak coordination between the monitoring and evaluation (M&E) sections, which are present in the visited institutions, hindered the seamless integration of performance evaluation processes across different departments. Resistance to change within the organizational culture is another factor that can impede the effectiveness of performance measurement tools.

3.6.4 Faulty Application of Performance Management Systems

Regulation 25(4) of the Public Service Regulations, 2022, requires every public institution to establish qualitative and quantitative performance benchmarks and service delivery standards to inform the annual objectives, targets, and performance metrics in the individual staff performance contract.

However, the performance management systems review of the ten (10) visited public institutions found that the PO-PSMGG was implementing

performance management systems with the same measurement algorithms throughout the government despite having different categories of public institutions with varying establishment objectives and operating environments. Through discussions with different human resource managers, it was established that the previous and current performance management systems were founded on measuring the performance of institutions typically established for service delivery without revenue generation objectives.

Meanwhile, there has been little consideration given to public institutions established for service delivery and revenue generation, which often operate in a corporate setting.

Table 3.14: The assessment of rationality of uniform application of PMS

Category of Public Institution	Ultimate Establishment Objective	Operating Environment	Performance Management System
Ministries	<ul style="list-style-type: none"> • Service Delivery 	Non-Competitive	PEPMIS&PIPMIS
Public Corporations	<ul style="list-style-type: none"> • Service Delivery • Revenue Generation 	Competitive	PEPMIS&PIPMIS
Independent Departments	<ul style="list-style-type: none"> • Service Delivery 	Non-Competitive	PEPMIS&PIPMIS
Executive Agencies	<ul style="list-style-type: none"> • Service Delivery • Revenue Generation 	Competitive	PEPMIS&PIPMIS
Local Government Authorities	<ul style="list-style-type: none"> • Service Delivery 	Non-Competitive	PEPMIS&PIPMIS

Source: Auditors' Analysis of Interview Minutes and PEPMIS/PIPMIS System's Walkthrough (2023)

Table 3.14 shows a uniform application of performance management systems to different categories of government institutions without considering the nature and relevance of the performance assessment algorithms. The audit has found that the criticality of performance scores in public corporations and executive agencies was higher than in service-oriented government institutions. In particular, some of the public

corporations were competing with highly performing and competitive private players in their industries, and therefore, employee performance was expected to have a critical influence on the existence of the corporations.

For instance, the impact of non-performing legal officers at the level of LGAs was not expected to be the same as at TRA, where the government could be implicated in multi-billion tax dispute cases. However, the current performance management system evaluates them using the same measurement algorithms in PEPMIS.

The interviews with human resource managers from the visited institutions found that the major reason for the uniform application of the performance management systems was the limited engagement of the key stakeholders in the formulation and development of performance management designs within the Ministry. It was pointed out that the Ministry primarily drafted the performance management systems and then shared them later with other stakeholders when accommodating major changes was difficult.

According to the reviews of the current performance management system, the observed weaknesses were generally a result of the system's infancy, which is in the early stages of deployment.

As a result, applying similar performance management systems over all public institutions, regardless of their establishment and operating nature, does not enhance a high-performance culture among public corporations and agencies that operate in competitive industries.

3.6.5 Weak Controls in the Administration of Performance Management System

In accordance with para 2.2.3 of the Management Standards Checklist of October 2011, the importance of a performance management system is emphasized for Ministries, Departments, and Agencies (MDAs). This system should include a monitoring and evaluation (M&E) framework with action plans, indicators, and milestones to monitor performance and address performance gaps. Furthermore, MDAs are required to produce evidence-based annual performance reports and submit them to the President's Office - Public Service Management and Good Governance (PO-PSMGG).

However, the review of the administration of the performance management systems in the visited entities has found that there have been weaknesses in controls during the administration of the performance management systems within the government. Performance Management System elements were not effectively controlled in a manner that affected the quality of the assessment and fairness of the appraisal systems among the visited entities.

Table 3.15 shows the current PMS elements and the associated weaknesses that affect the quality of results emanating from the performance management system.

Table 3.15: The overview of weaknesses of the current PEPMIS/PIPMIS

PMS Element	Weakness
Employee Identification	Inadequate controls over the authenticity of the user who is completing and submitting the information
Information Authenticator	There are no algorithms to authenticate the information submitted in the system.
Supporting Evidence	There is no evidence-based reporting. The submission or attachment of evidence for the performed work does not accompany the information.
Scores Assignment	The division of scores is not evenly distributed to each performer of the assigned task. Several persons perform one task, but the scores are assigned to only one person and are not divided among all the others.

Source: Analysis of Interview Minutes and PEPMIS/PIPMIS System's Walkthrough (2023)

Table 3.15 shows four control elements in the current performance management system that affect the quality of the evaluation of the individual and institutional performance management systems. The four elements within the performance management system are employee identification, information authentication, evidence, and score assignment.

The Audit found that employee identification was not sufficiently controlled as any employee could be given the same credentials and be able to log in and complete the information per the system's requirements. This weakness has remained the same from the previous OPRAS system to the current one.

This weakness affects the authenticity of the information and performance evaluation results.

The system walkthrough also found no information authenticator as a general control in the submitted details. The submitted details in the system had no moderating control to test for accuracy and authenticity. The Audit noted that any information from the system could be submitted and evaluated for scores and marks without being authenticated for its accuracy or integrity. Furthermore, the administration of the performance management system was not accompanied by the submission of supporting evidence for the stated performance. The lack of supporting evidence provided a loophole for providing inaccurate or falsified information to improve performance scores.

Lastly, the audit discovered that implementing the current PEPMIS/PIPMIS was also associated with a faulty scoring system in cases where more than one person performed the same activities. The scores were only reflected in one person without providing scores for the other task performers despite the fact that it was consuming their allocated resources, including time.

As a result, the inherited weaknesses affect the quality of the performance evaluation results, impacting the overall objective of performance evaluation among the institutions and individuals. The risks of obtaining doubtful or unfair performance evaluations may negatively affect the government's objective of ensuring efficient and effective public service delivery.

3.7 Major Achievements of PO-PSMGG in the Period under Review

Despite challenges in PO-PSMGG's performance in developing, monitoring, and evaluating staff competency in the public sector, the audit found that the Ministry has acquired some achievements during the implementation period. The major achievements of PO-PSMGG were linked with human resources development, leadership, and human resource plans, as summarised below.

3.7.1 Preparation of Guidelines and Leadership Development

In the period under review, PO-PSMGG has been able to update the public service regulations, which now include training as one of the regulated aspects of the public service. This was done by updating Regulation 102 of the Public Service Regulations of 2022 to eliminate challenges, provide awareness on training to both employers and employees, and ensure smooth facilitation of training in the Public Service.

The Ministry has also been able to develop the Human Resource Planning Guideline for the Public Service. The guideline intends to facilitate public institutions' implementation of human resource plans to ensure that jobs in the organization are filled with the right people, in the right place, and at the right time. In relation to that, PO-PSMGG is also in the process of updating the Leadership Competency Framework to cater to public servants holding leadership positions in the public sector.

3.7.2 Coordinating Over-seas Training for Civil Servants

During the period under review, PO-PSMGG was able to coordinate overseas training for a total of 1,248 civil servants. The overseas training covered different disciplines in the public sector, including public health, public service management, economics, engineering, and agricultural technology. Out of 1,248 civil servants who benefitted from the overseas training, 334 were on long courses, and 914 were on short courses.

Further analysis of the coordinated overseas training revealed that China was the leading sponsor of the training, with a total of 456 civil servants having been sponsored, followed by India with a total of 440 civil servants,

Korea with a total of 187 civil servants and Japan with a total of 165 training. The overseas training has enabled public servants to acquire new skills crucial in instilling changes and new organisational cultures, allowing for the transfer of technologies and exposing staff to new solutions for solving societal problems in the areas they serve.



CHAPTER FOUR

AUDIT CONCLUSION

4.1 Introduction

This chapter provides conclusions of the audit. The basis for concluding is the overall and specific audit objectives presented in chapter one of this report. The general and specific conclusions are given below.

4.2 General Conclusion

The audit concludes that public institutions have not effectively undertaken the general development, monitoring, and evaluation of staff competency in the public sector under the oversight of the President's Office - Public Service Management and Good Governance. Despite efforts that public institutions have undertaken to develop staff competency, measures that have been adopted have not been effective in addressing competency gaps existing among public employees.

Monitoring staff competency has not been sufficiently achieved as pre-requisite conditions to enable staff monitoring; sufficient staff oversight and profiling have not been fully implemented. There have been insufficient tools to evaluate staff competency before or after capacity-building interventions within public institutions. This was attributed to ineffective identification and analysis of competency gaps in public institutions, ineffective development of skills development programs, and inadequate implementation of capacity-building programs to enhance staff competency. On the other hand, an ineffective performance management system was also observed in the visited public institutions.

4.3 Specific Conclusions

The following are specific audit conclusions:

4.3.1 Ineffective Identification and Analysis of Competency Gaps in the Public Institutions

The Audit conclude that, despite the guidelines outlined in the manual as a requirement for competency gap identification and analysis, there are

challenges in identifying competency gaps and ultimately implementing effective capacity-building programs to address the identified gaps within government institutions. This is attributed to a disconnect between the theoretical framework outlined in the manual and practical execution within the public institutions. This was further attributed to inadequate plans for competency gap identification and insufficient analysis of human resource gaps.

In addition, the audit observed inadequate skills inventories in the public service, which rendered a limited staffing profile for PO-PSMGG to assist in strategic staff deployment, including placements, transfers, or replacements.

Therefore, a need for improved alignment between the requirements outlined in the manual and the actual implementation of gap analysis and capacity-building programs within public institutions is of paramount importance.

4.3.2 Ineffective Development of Capacity Building Plans or Programs

The audit concludes that PO-PSMGG has not ensured that public institutions effectively develop staff capacity-building plans or programs. The current capacity-building- programs do not guarantee that public servants are equipped with the necessary competencies due to shortfalls observed during the audit.

The noted shortfalls were inadequate development of capacity training plans, non-inclusion of analysed challenges in training plans, and inadequate engagement of stakeholders in the preparation of the plans.

Inadequate capacity-building programs render difficulties in the implementation of capacity-building programmes and do not yield the expected results in enhancing staff competencies.

4.3.3 PO-PSMGG has not ensured the Effective Implementation of Capacity-Building Programs in Public Institutions

The audit concludes that the PO-PSMGG has not sufficiently performed its role in overseeing the public institutions implementing capacity-building programs to enhance staff competency.

The current level of implementation of the capacity-building program does not guarantee the enhancement of staff competence in Public Service. This was evidenced by weaknesses noted from the visited Public Institutions with regard to implementation, such as undocumented Implementation of capacity-building initiatives, inadequate standardization and quality assurance, inadequate action plans for implementing the respective capacity-building programs, and insufficient resource allocation for implementation of training programs.

The weaknesses in the implementation of the capacity-building program also included limited models for implanting capacity-building programs, capacity-building programs not addressing organizational competency needs, the ineffectiveness of leadership competency framework, inadequate in-house capacity-building frameworks, ineffective training implementation framework, inadequate alignment between implemented capacity -building programs and succession plan, and non-supportive working environment for enhancing staff competency.

As a result of inadequate implementation of capacity-building programmes, public servants have remained with inadequate knowledge and skills necessary for efficient and effective public service delivery.

4.3.4 PO-PSMMG has not Ensured Effective Performance Measurement in the Public Service.

The performance management systems were expected to serve as a means of guaranteeing efficient and effective service delivery within the government. However, the previous performance management system was accompanied by weaknesses that rendered the system ineffective in measuring staff performance and ensuring efficient and effective public

service delivery. On the other hand, the newly introduced system has also inherited shortcomings that pose risks of not delivering the intended function if unresolved.

Specifically, the current system risks being unable to measure staff performance effectively as it has weaker controls in information capturing, providing room for receiving inaccurate information when attempted by the users. Furthermore, the government's primary essence of continuous performance management is affected because the transition from the old to the new system has not been well handled. During the audit, the government did not undertake effective performance measurement of its staff because public institutions abandoned the previous system and did not adopt the new system.

However, interviews with officials noted that the potential risks of implementing a new performance system might be associated with human risks, which are inadequate supervision and monitoring in implementing the performance system. The interview further noted that a risk management plan is built into the newly established performance system.

The interview further revealed that the results from the new system will be used to determine rewards and sanctions, including promotion in the management of human resources, with effect from the financial year 2023/24.

CHAPTER FIVE

AUDIT RECOMMENDATIONS

5.1 Introduction

The audit findings and conclusions pointed out weaknesses in developing, monitoring, and evaluating staff competency in the public sector as managed by the President's Office - Public Service Management and Good Governance (PO-PSMGG) and respective public institutions as implementers. Areas for further improvements have been identified in the development, monitoring, and evaluation of staff competency in the public sector, as well as the oversight role of PO-PSMGG.

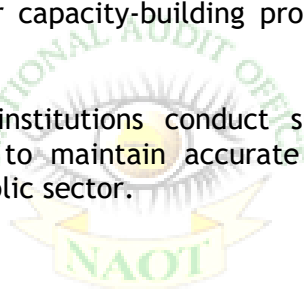
To resolve the identified weaknesses in the development, monitoring, and evaluation of competency of staff by PO-PSMGG, The Audit recommend improvements in the management of capacity building programs and staff recruitment process, which shall inform the requirements and ways of ensuring that competent public servants are hired and managed by public institutions.

5.2 Recommendations to the Audited Entity

The President's Office Public Service Management and Good Governance is urged to:

- a) Review the algorithms and procedures of the current PEPMIS/PIPMIS to ensure that public corporations that operate in highly competitive industries with different systems of rewards and sanctions have their own customized performance management system;
- b) Establish measures to ensure that each public institution has adequate plans for competency gap identification to fill the said gaps and attain a workforce with the skills and knowledge, attitude, and behaviour needed to meet current and future challenges of public institutions;
- c) Ensure effective dissemination of guiding instruments on developing and implementing capacity-building plans to ensure that identified competency gaps and performance challenges are considered;

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- d) Develop and implement strategies to enhance the Public Service Act enforcement, particularly in developing and implementing capacity-building programs;
 - e) Review and upgrade the current Public Service Training Policy into a more comprehensive capacity-building policy for the public service, which shall comprise all currently implemented and potentially relevant capacity-building initiatives in the public sector;
 - f) Develop and implement standardisation and quality assurance frameworks for the training providers in the public sector;
 - g) Prioritize the development of plans for public servants' capacity-building programs by ensuring that every public institution timely prepares its plan to facilitate the competencies development of its public servants;
 - h) Develop a guiding manual that will help public institutions prepare consistent training or capacity-building programs for their public servants; and
 - i) Ensure that public institutions conduct sufficient training and awareness programs to maintain accurate and up-to-date skills inventories of the public sector.



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APPENDICES



Appendix 1: Response from the President's Office - Public Service Management and Good Governance (PO-PSMGG)

This part provides responses from the President's Office - Public Service Management and Good Governance (PO-PSMGG) on the recommendations issued by the CAG.

Specific Comments

S/n	Recommendation	Comments	Planned Action	Implementation Timeline
1	Review the algorithms or procedures of the current PEPMIS/PIPMIS to ensure that public corporations that operate in highly competitive industries with different systems of rewards and sanctions have their own customized performance management system.	The system (PEPMIS & PIPMIS) is the new system, and the mass rollout of the implementation of the system to the entire public service is in progress starting 20th November 2023. So, it is too early to conduct an assessment of the performance of the system and be able to establish whether it achieves its goals.	Conduct sustainable training of the system for public employees, monitor the implementation of the system (PEPMIS/PIPMIS), assess the performance of the system, and establish the findings on whether it achieves its goals or not.	Three years
2	Establish measures to ensure that each public institution has adequate plans for competency gap identification to fill the said gaps and attain a workforce with the skills and knowledge needed to meet current and future challenges	(i)The office sets out Policies, Acts, and Regulations to ensure that Public Institutions adhere by conducting Training Needs Assessment (TNA) and developing Training Plan (ii) The office conducts M&E with public institutions to monitor the implementation of training plans. In	(i)Continue reminding Employers to allocate funds and budget for capacity building and implementation of Training Plans (ii)Continue with M&E on compliance with policy and	Five years

S/n	Recommendation	Comments	Planned Action	Implementation Timeline
	of public Institutions.	2023/24, a total of 43 Public Institutions were assessed. (iii). PO-PSMGG supports Public Institutions in preparing and implementing Training Plans. (iv) Insist on Employers to allocate funds in the 2024/2025 budget for developing and implementing a training plan.	guidelines issued by PO-PSMGG to Public Institutions and increase coverage	
3	Ensure that performance management systems for different categories of public institutions are harmonized and customized to their operating environment to generate a fair and just performance measurement that instills performance motives.	The office disseminates developed guiding Training Development instruments through leadership retreats, seminars, and Directors/managers of human resource management workshops.	(i) Continue with the dissemination of approved guidelines (ii) To ensure all Public service institutions are developing and implementing Training Plans accordingly	Five years
4	Ensure effective dissemination of guiding instruments when developing and implementing capacity-building plans to ensure	The office disseminates developed guiding Training Development instruments through leadership retreats, seminars,	(i) Continue with the dissemination of approved guidelines (ii) To ensure all Public service institutions are	Five years

S/n	Recommendation	Comments	Planned Action	Implementation Timeline
	that identified competency gaps and performance challenges are considered.	and Directors/managers of human resource management workshops.	developing and implementing Training Plans accordingly	
5	Develop and implement strategies to enhance the enforcement of the Public Service Act, particularly in developing and implementing capacity-building programs.	Reminding Public Service Institutions to develop and implement training Plans Effectively Cooperating with development partners to facilitate scholarship for public servants' capacity-building	(i)Continue Conducting M&E effectively (ii) Continue reminding Employers to allocate funds and budget for the preparation and implementation of the Training Plan (iii) Continue cooperating with development Partner to facilitate scholarship for public servants' capacity building	Three years
6	Review and upgrade the current Public Service Training Policy into a more comprehensive Capacity Building Policy for the Public Service, which shall comprise all currently implemented and potentially relevant capacity-building initiatives in the public sector.	Currently, the office is organising stakeholders' meetings to review the training policy.	Conducting the stakeholders' meeting accordingly	Five years

S/n	Recommendation	Comments	Planned Action	Implementation Timeline
7	Develop and implement standardisation and quality assurance frameworks for the training providers in the public sector.	Noted	(i) Scheduled to assess the capacity of six Training Institutions, including the Institute of Judicial Administration (IJA), The Local Government Training Institute (LGTI), Tanzania Public Service College (TPSC), National Defence College (NDC), Uongozi Institute and Dr. Salim Ahmed Salim Centre for Foreign Relations (CFR) (ii) Conducting the stakeholders meeting accordingly (ii) Conducting the stakeholders meeting accordingly	Five years
8	Ensure that public institutions develop effective in-house capacity-building teams that will provide tailor-made and effective capacity-building programs within their institutions.	Noted	(i) Effective in-house capacity-building teams can best be done by employers because it is their responsibility to train and develop staff in specific areas of interest. (ii) Training institutions or	Three years

S/n	Recommendation	Comments	Planned Action	Implementation Timeline
			competent individuals may be co-opted to capacitate ToT in the identified training needs (iii)Continue conducting M & E effectively	
9	Prioritize the development of plans for Public Servants' capacity-building programs by ensuring that every public institution prepares its plan in a timely manner to facilitate the competencies development of its public servants.	According to the Training Policy for the Tanzania Public Service of 2013, Public Service Act revised Edition of 2019, Public Service Regulations of 2022, and Standing Orders for the Public Service of 2009 and Public Service Regulations of 2022 stipulates that all Public Institutions are responsible for capacitating their employees.	To ensure Public Institutions are complying accordingly (ii)To remind Employers to allocate funds and budget for capacity building and implementation of Training Plans (iii)To conduct M & E effectively	Three years
10	Develop a guiding manual to help public institutions prepare consistent training or capacity-building programs for their public servants.	A guiding manual is in place.	Ensure Public Institutions use Training manuals accordingly	Three Years
11	Ensure that public institutions conduct sufficient training and awareness programs to	Keep on reminding all Public Institutions to comply accordingly	Continue Conducting M&E effectively	Three Years

S/n	Recommendation	Comments	Planned Action	Implementation Timeline
	maintain accurate and up-to-date skills inventories of the public sector.			



Appendix 2: Audit Questions and Sub-Questions

This part provides the audit questions and sub-questions used during the audit.

Audit Question 1	Are there public institutions that do not sufficiently develop, monitor, and evaluate the competency of their staff?
<i>Sub-Audit Question 1.1</i>	<i>Are there public institutions that could not achieve organisational goals because of low staff competency?</i>
<i>Sub-Audit Question 1.2</i>	<i>Are there public institutions that do not operate efficiently because of their incompetent staff?</i>
<i>Sub-Audit Question 1.2</i>	<i>Are there effective competency frameworks for employees in the public sector?</i>
Audit Question 2	Does PO-PSMGG ensure that the gaps in staff competency in public institutions are identified effectively?
<i>Sub-Audit Question 2.1</i>	<i>Are there well-articulated plans for the identification of gaps in staff competency?</i>
<i>Sub-Audit Question 2.2</i>	<i>Is there an analysis of the current and future competency needs?</i>
<i>Sub-Audit Question 2.3</i>	<i>Are the developed needs for staff competency aligned with the organisational goals and roles?</i>
Audit Question 3	Does PO-PSMGG ensure that public institutions effectively develop capacity-building programs to address staff competency in the public sector?
<i>Sub-Audit Question 3.1</i>	<i>Do public institutions develop plans or programs based on the identified gaps for staff capacity building?</i>
<i>Sub-Audit Question 3.2</i>	<i>Do public institutions develop plans or programs based on the analysed challenges related to staff capacity building?</i>
<i>Sub-Audit Question 3.3</i>	<i>Does the development of plans for building staff competency in public institutions engage stakeholders?</i>
Audit Question 4	Does PO-PSMGG ensure the effective implementation of capacity-building plans or programs to enhance staff competency in the public sector?

<i>Sub-Audit Question 4.1</i>	<i>Are there effective action plans for implementing the capacity-building programs to enhance staff competency?</i>
<i>Sub-Audit Question 4.2</i>	<i>Is there an effective resource allocation that enables the implementation of capacity-building plans or programs in the public sector?</i>
<i>Sub-Audit Question 4.3</i>	<i>Are there effective models for implementing capacity-building programs to enhance staff competency?</i>
<i>Sub-Audit Question 4.4</i>	<i>Are the implemented capacity-building programs addressing the organisation's competency needs?</i>
<i>Sub-Audit Question 4.5</i>	<i>Are there effective evaluations and corrective actions on implemented capacity-building plans for enhancing staff competency?</i>
Audit Question 5	<i>Does PO-PSMGG ensure that there is an effective measurement of the performance of staff in public institutions?</i>
<i>Sub-Audit Question 5.1</i>	<i>Are there effective staff performance measurement tools in public institutions?</i>
<i>Sub-Audit Question 5.2</i>	<i>Are the performance measurement tools coherent with organisation roles and functions?</i>
<i>Sub-Audit Question 5.3</i>	<i>Is there an adequate application of performance measurement tools for staff in the public sector?</i>
<i>Sub-Audit Question 5.4</i>	<i>Are the results of the performance reviews effectively communicated back to staff in the public sector?</i>
<i>Sub-Audit Question 5.5</i>	<i>Are there rewards and corrective actions taken as result or outcome of staff performance evaluation in public institutions?</i>

Appendix 3: Visited Entities for a Performance Audit on Developing, Monitoring and Evaluation of Competency of Staff in the Public Sector

Sector	Category of Public Institution	Name of the Entity
Administrative Sector	Independent Department	Public Service Recruitment Secretariat (PSRS)
		Tanzania Public Service College (TPSC)
	Executive Agency/ Parastatals	Tanzania Ports Authority (TPA)
Economic sector	Ministry	Ministry of Finance (MoF)
		Ministry of Water (MoW)
	Public Corporation	Tanzania Revenue Authority (TRA)
Social Sector	Public Corporation	Public Service Social Security Fund (PSSSF)
Cross-cutting	Local Government Authorities (LGAs)	Mwanza City Council - (MWANZA)
		Mtwara Mikindani Municipal Council - (MTWARA)
		Pangani District Council - (TANGA)

Source: Auditor's Analysis (2023)

Appendix 4: Selected Interviewed Persons and Reasons for interviewing them

This part provides the list of persons interviewed from the PO-PSMGG, the visited public institutions, and their reasons for being interviewed.

Entity	Persons to be Interviewed	Reason for being interviewed
President's Office - Public Service Management and Good Governance	Director, Human Resource Development	<ul style="list-style-type: none"> • To determine the extent to which the PO-PSMGG oversees the identification of gaps, preparation and implementation of capacity-building programs, and measurement of staff performance in the public sector. • Provide clarifications on performance issues observed on overseeing the identification of gaps, preparation and implementation of capacity building programs, and measurement of performance of staff in the Public sector.
	Assistant Director, Human Resource Development	<ul style="list-style-type: none"> • To determine the extent to which the PO-PSMGG oversees the identification of gaps, preparation of capacity building programs, implementation of capacity building programs, and measurement of staff performance in the public sector. • Provide clarifications on performance issues observed while overseeing the identification of gaps, preparation and implementation of capacity building programs, and measurement of staff performance in the public sector.
	Senior Officials on Human Resource Management	<ul style="list-style-type: none"> • To determine the extent to which the PO-PSMGG oversees the identification of gaps, preparation and implementation of capacity-building

Entity	Persons to be Interviewed	Reason for being interviewed
		programs, and measurement of staff performance in the public sector.
Ministries	Director, Human Resource Management	<ul style="list-style-type: none"> To establish the extent to which the ministries manage the competency of their staff through development, monitoring, and evaluation. To establish the extent to which the ministries manage the performance of its staff.
	Assistant Director, Human Resource Management	
	Senior Officials, Human Resource Management	
Executive Agencies	Director, Business Support Services	<ul style="list-style-type: none"> To establish the extent to which the agencies manage the competency of their staff through development, monitoring, and evaluation. To establish the extent to which agencies manage the performance of their staff.
	Assistant Director, Human Resource Management	
	Senior Officials, Human Resource Management	
Public Corporations	Director, Corporate Service	<ul style="list-style-type: none"> To establish the extent to which public corporations manage the competency of their staff through development, monitoring and evaluation. To establish the extent to which public corporations manage the performance of their staff.
	Assistant Director, Human Resource Management	
	Senior Officials, Human Resource Management	
Local Government Authorities	Heads of Department- Human Resource Management	<ul style="list-style-type: none"> Establish the extent to which LGAs manage the competency of their staff through developing, monitoring, and evaluating competency frameworks.

Entity	Persons to be Interviewed	Reason for being interviewed
	Senior Officials- Human Resource Management	<ul style="list-style-type: none">• To assess the extent to which LGAs manage the performance of their staff.

Source: *Auditors' Analysis, 2023*



Appendix 5: List of Documents Reviewed During the Audit

This part provides the list of documents reviewed during the audit from PO-PSMGG and the visited public institutions.

Auditee	Category of Documents	Title of Documents to be Reviewed	Reasons for Review
PO-PSMGG	Planning	Human Resource Plans	To establish the extent of strategic and annual plans for managing staff competency in the public sector
	Performance Reports	Annual Performance Reports - Human Resource Development	To establish the extent to which PO-PSMGG performs its functions in relation to managing human resources in the public sector To establish the extent to which PO-PSMGG manages the competency of staff in the public sector
	Capacity Building Documents	Training Plans Training Needs Assessment Competency Frameworks Evaluation Reports	To establish the extent to which PO-PSMGG performs its functions in relation to managing human resources in the public sector To establish the extent to which PO-PSMGG manages the competency of staff in the public sector
Public Institutions <ul style="list-style-type: none">• Ministries,• Independent Departments	Planning	Annual Business Plans	To obtain information about strategies towards the management of staff competency in the respective Institutions

Auditee	Category of Documents	Title of Documents to be Reviewed	Reasons for Review
<ul style="list-style-type: none"> • Executive Agencies • Public Corporations • Local Government Authorities 			To obtain information about measuring and evaluating staff performance in their respective institutions.
	Capacity Building Documents	Training Plans Training Needs Assessment Competency Frameworks Evaluation Reports	To establish the extent to which PO-PSMGG performs its functions in relation to managing human resources in the public sector To establish the extent to which PO-PSMGG manages the competency of staff in the public sector
	Performance Reports	Annual Performance Reports	To establish the extent to which public institutions manage the competency of staff in the public sector To establish the extent to which public institutions measure and evaluate the performance of their staff

National Audit Office,
Audit House, 4 Ukaguzi Road,
P.O. Box 950, 41104 Tambukareli, Dodoma.

 +255(026)2161200,

 ocag@nao.go.tz,

 www.nao.go.tz