

# Analysis of Human and Financial Resources as Drivers of Project Success in Local Governments in Tanzania

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## Abstract

This paper aims to present information regarding the drivers of project success in Local Government Authorities of Tanzania. Key interviews and desk reviews were used and content analysis was used to analyze qualitative data. Findings show that Projects in local government still suffer from a shortage of qualified manpower, high turnover of human capital, and weak incentives for staff motivation who are engaged in the project lifecycle. On the other hand, delay of funds, limited funds, fund deviation, and fund misuse have been reported to impact negatively the success of projects in local governments. Thus, this calls for the government to devise robust measures to ensure that both financial resources and human capital are converted to the best level as input for project success

**Key words:** Local Government, Project, Financial Resource, Human Resource.

## Introduction

Local Government Authorities (LGA) is a form of public administration which in a majority of contexts, exists as the lowest tier of administration within a given state. LGA administrative authorities over areas that are smaller than a state (Mgonja and Tundui, 2012). LGAs have two major divisions, urban and rural authorities (URT, 2015, REPOA, 2008). The urban authorities comprise of City, Municipal, and Town Councils while rural authorities comprise district councils. For administrative and electoral purposes, all urban authorities are divided into wards and neighborhoods (Mitaa), while all rural authorities are divided into wards, villages, and sub-v

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illages (hamlets). As of 2018 statistics, there are 48 urban councils of which 5 are cities, 21 municipalities, and 22 town councils. Rural authorities constitute 137 district councils. In totality, there are 185 LGAs (URT, 2018).

Tanzania's government has an independent internal audit unit that ensures the roles of internal controls are effective in promoting and realizing good corporate governance. Despite the existence of internal audits in various LGAs with internal control systems in place, financial crimes persist in the form of fraud, irregularities, and even breaches of other controls (Fadzilah *et al.*, 2005). Tanzania's Local Government has several policies and legal systems that favor LGAs functioning these include; the Local Government Finance Act of 1982 (Revised 2000); Standing Order for Public Service of 2009; Public Procurement Act of 2011; Public Procurement Regulations of 2013; Local Authority Financial Memorandum of 2009 and Local Authority Accounting Manual of 2009.

Financial and Human Resources are key drivers of project success in local government programming. The local government's competitiveness partly depends on the success of its projects. Evidence from various studies shows that Project success is the closure of a project within scope, time, cost, quality, resources, and risk (Heldman, 2011; Jha & Iyer, 2007). The first studies in the paradigm of programming and project success looked at the 'iron triangle', which includes factors related to project success in terms of time, budget, or resources, and according to quality specifications as a measure of project success (Pinto & Slevin, 1987; Heldman, 2011).

Several researchers have identified

important factors such as financial resources, time, and human capital, in project success (e.g. Clarke, 1999; Jugend *et al.*, 2016; Rodríguez-Segura *et al.*, 2016). Several studies have highlighted the organizational factors in the field of project management and the importance of these factors for the success of projects (e.g. Bredin & Söderlund, 2011; Brem & Wolfram, 2017). Those organizational factors can be grouped into the following dimensions (Dezdar & Ainin, 2011; Shao, 2018; Wai *et al.*, 2013): top management support (Brem & Wolfram, 2017; Ekrot *et al.*, 2016), communication (Pinto & Mantel, 1990; Wu *et al.*, 2017), change management (Hwang & Low, 2012; Martinsuo & Hoverfält, 2018), organizational culture (Situmeang *et al.*, 2017), and training (Dandage *et al.*, 2018; Ramazani & Jergeas 2015).

Project management since early times in America was practiced to ensure projects were stable and add value to community development (AICPA, 2017 & Peterson, 2014). Governments of different empires for the sake of managing the projects imposed various systems such as checks and balances, job rotation, and segregation of duties on the implemented projects.

Internal and external systems were designed basically to minimize project errors to improve the performance of the projects (Ammons, 1995).

The value-for-money is a key indicator of the projects' performance response, to the changing circumstances (Boyne, 2001; Millow, 2012). The value-for-money shows the degree to which a project is economical, efficient, and effectively implemented. Nevertheless, there is limited empirical evidence in Tanzania to explain factors affecting project performance in LGAs (Mushi & Melyoki,

2015; REPOA, 2008; Vragov & Kumar 2013). Development projects implemented by Local Government Authorities (LGAs) consume a greater portion of the national budgets (Axelsson *et al.*, 2010; Schmidhuber 2019).

Besides having a clear system of administration in LGAs and various LGA reforms taken by the government, the performance of development projects (particularly conditional block grants projects) is low (Chaligha, 2007; Chalu, 2007; Masanja, 2018). Inadequate performance of projects in Tanzania is an outcry that hinders social and economic development for a long time (Chaligha, 2008; Masanja, 2018). Despite the increasing importance of organizational factors to achieve organizational objectives, the theoretical and empirical literature has not much focused on evaluating the performance of development projects (Johnson, 2009; Masanja, 2018) while less is done to assess or establish factors that contribute to the performance of projects in LGAs.

More importantly, some literature suggests that the nature of LGAs where the projects are located and their age might have an impact on the performance of projects. The old LGAs have a better experience; infrastructure and resources for the project performance compared to the newly established LGAs (Mgonja & Tundui, 2012). On top of that, the projects' location may affect the projects' performance as the projects implemented in the urban councils may have strong systems that may lead to better performance of projects when compared to projects implemented in rural areas (Masanja, 2018, Latifa, 2015). This paper therefore aims to provide evidence as to how both financial and human resources

are key determinants of project success in LGAs in Tanzania.

## Literature Review

### Theoretical Review

This paper is guided by two famous theories namely the Institutional theory and the Organization behavior theory. The choice of the two theories is based on the fact that they explain how both financial and human resources are the key factors to the success of the project. The Institutional theory that was founded by an Economist Douglas North in America in the 1970s (Baltaci&Yilma, 2006; Battilana, 2006; Hargadon &Dauglas, 2001) argues that whenever there is a robust flow of funding to the project system to cater to all phases of the project, there is a high likelihood that the project success to easily be realized (Scott, 2013; Di Maggio & Powell, 1983). On another hand, Ribot (2002) argues that it is not only funding that can influence the institutional capacity to ensure the project is well managed and successful but the amount of funding and regular flow of funding are key to the success of the project. If the funds are disbursed in a manner that they are delayed, deviated, or less then the project's success is likely to be compromised. On the other hand, The Organizational behavior theory which was founded in 1913 by John Broadus Watson shows that human resources are key to the success of the project. When a project deploys a workforce that is productive and well-motivated then there is a likely chance that the project can be successful. For this matter, both theories are fundamental to the narrative of the influence of key drivers to success such as financial and human capital.

### **Empirical Review**

While there is relative clarity of accountability in LGAs, the financial performance and accountability mechanisms remain problematic and challenging. As regards administrative capacity, most councils are still operating with limited human resource capacity, particularly in rural councils. Moreover, in terms of decentralization by devolution (D-by-D) policy, little progress has been made in taking forward the issues of human resource decentralization. In addition, lack of popular understanding of the role and responsibilities of LGAs, a lack of understanding of the planning and budgeting processes, and the virtual absence of LGAs' appreciation of the collective inputs particularly from civil society organizations related to policy advice or service delivery (Masanja, 2018, Mgonja and Tundui, 2012). Furthermore, the results of LGA reforms that have been introduced via LGA reforms 1 and II process have been mixed, though generally welcomed by councils (REPOA, 2008, Boex, Vazquez, 2006). The process has faced several constraints such as a lack of sector harmonization undermines efforts to establish organizational structures and staffing levels that are consistent with locally determined planning priorities.

In India, Maor, (2004), Mulgan and Uhr (2001) found that independent agencies have become major repositories of institutional capacity in government efforts to promote integrity systems and fight corruption. Furthermore, Bottom and Medew, (2004) found that institutional agencies should have powers and resources for monitoring the adequacy of local government control systems. However, Maor (2004), and Mulgan and Uhr (2001) in their studies showed that

institutional capacities have limited capacities such as staffing, skills, funds, and organizational objectives in performing their task of utilizing internal controls and promoting accountability in local government. In addition, Saeed and Dashti, (2014) found out that, the challenges in the implementation of internal controls especially considering that the audit unit and its function are not well extended to the upcountry centers which have affected their efficiency. In Uganda, Steffensen et al., (2004) on their studies found that a lack of systems for funding and competent workforce education and experiences in local government systems particularly on accounting and financial aspects for institutional capacities in monitoring the implementation of internal control systems is extremely important. However, Eton et al.,(2018), in their studies urged that the relationship between internal control systems and financial accountability in local government appeared to be weak and the actual contribution of internal control systems actors in the financial operations of the Councils is negligible.

In Tanzania, Kelsall and Mmuya, (2005) and Chalu (2007), in their findings comprehended show that when there are clear funding flow in the project as well as proper internal control systems for the same as well as when there are no clear policies for better use of human capital that is trained and well distributed in the productive systems of LGA, then LGAs can still suffer from poor implementation of projects. Likewise, Mgonja and Tundui, (2012), and Sasaoka (2005), found challenges facing project success are mostly inclined toward funding and this is from the development partners' (Donors) side where sometimes it is difficult to

predict their flow. Andrew and Goddard (2016) found that the establishment of internal control systems in LGAs is not adequate if other factors are not taken into account namely human resources and financial resources for the successful implementation projects.

In Nigeria, Aramide and Bashir, (2015) found that internal audit is positively significant for good financial accountability in the local government projects. However, if other factors are not well addressed such as lack of staff, and lack of funds to ensure that projects are implemented well and on time, then even if you have good internal control systems in place, they can't provide a green light for the success of the project.

In Kenya, Kang and Kinyua, (2016), Mwindi, (2008), and Steffensen *et al.*, (2004), found that proper funding flow to the project has a significant impact on the success of the project. However, Trevor, (2010) and Magara, (2013) found that even if there is a proper flow of funds to the project and the internal audits are weak then there is less chance that the success of the project to be met.

### **Measuring Value-for-Money**

The debate on how best to allocate scarce public resources is not new in Tanzania.

For the past 15 years, the term Value-for-Money (VfM), sometimes also called Value for Investment, has been used by policymakers to describe general principles governing good planning, procurement, and management. Increasingly, however, VfM has begun to refer to a more specific set of criteria applied to programs and projects. The term is now used widely by development actors such as International Non-Government Organisations (NGO) umbrella networks, institutional donors, and multinational organizations such as

the Development Assistance Committee (DAC) and Local Governments in Tanzania. VfM is often expressed through three different criteria – Economy, Efficiency, and Effectiveness. UK agencies have recently added a significant fourth 'E' – Equity – which refers to the fair allocation of benefits. Frequently, these criteria serve as principles that inform the decision-making of funders. A key principle of VfM analysis is that to judge whether an intervention was worthwhile, the money spent on that intervention needs to be assessed alongside what has been delivered (outputs) or achieved (outcomes and impact). The findings of VfM analyses that determine how they relate to each other can then provide crucial information for planning and decision-making. VfM analysis can sometimes enable organizations to choose amongst interventions, based on which one can achieve the best.

### **Measuring Project Success**

Measuring the success of a project can be difficult in that success means something different to each person involved in the project. To determine measures of performance to define success, a method of measuring success objectively has been developed. A literature search revealed seven common criteria were used to measure success: technical performance, efficiency of project execution, managerial and organizational implications, personal growth, project termination, technical innovativeness, and manufacturability and business performance. Limited to the viewpoints of the sponsor and the project manager, and consistent with the discounted cash flow (DCF) principles, a common focus was found in financial factors for evaluating the success of a business venture.

In the 1990s, researchers resumed investigating the Iron Triangle in connection with its success. During this time, the literature increasingly measured project managers' insights into the Iron Triangle, investigating cost (Freeman & Beale, 1992; Wateridge, 1998), De Wit, A., (1988), Ika, L.A., (2009), as features causative to or assessing project success. Success levels on projects are often assigned on a subjective, individual basis. (Freeman & Beale, 1992) argue that the term "success" can have a variety of meanings depending on whom you ask. Therefore, a multi-dimensional, multi-criteria approach is required for complete success criteria to consider a wide range of perspectives and interests.

Success criteria are accepted and dependent variables, including principles and standards by which anything can be judged and defined. These criteria should be evaluated under six important elements that guarantee a "consistent, high-quality evaluation within a common framework". These elements are relevance, coherence, effectiveness, efficiency, impact, and sustainability. Since success is dependent on the area that is inspected, these parts must be addressed individually, since although one area might be perceived as a failure, the other areas can still be perceived as successful.

## Methodology

Data were collected from Dodoma City Council, Ilala City Council, Iringa Municipal Council, Singida District Council, and Chamwino District Council and the study included projects related to agriculture, water, health, and TASAF in the selected LGAs. A total of 1002 staff were involved as a sample. The sample

was derived from a sampling frame of 1002 staff from the selected LGAs who were part of the project implementation and thus these were the key units of analysis. The proportional sampling was used since the target population was greater than 1,000 but less than 10,000 staff from five different LGAs. Thus, a sample size of 278 staff was selected from the population of 1,002 based on the simple random sampling size determination formula shown below.

This formula was applied in line with Mugenda and Mugenda's (2003) statistical technique, for selecting a sample from a population of less than ten thousand.

$$n = \frac{\frac{Z_{\alpha/2}^2 P(1-P)}{e^2}}{1 + \frac{Z_{\alpha/2}^2 P(1-P)}{Ne^2}} = \frac{1.96^2 \times 0.5(1-0.5)}{1 + \frac{1.96^2 \times 0.5(1-0.5)}{1002 \times 0.05^2}}$$

$$= 277.69 \text{ approximately to } 278$$

Thus, the level of confidence which is placed at 95% provides us a Z Value of 1.96 per the normal table. Where Z is the critical value 1.96 e is the margin error of 5% which is 0.05, p is the probability proportion which is 0.5, N is the population and n is the sample size. The proportional sampling technique is used when the population is large like in this study. Out of the 278 respondents that were picked up to provide the information on the implemented projects. Data provided by the sampled respondents includes, the working facilities of the projects, the knowledge and skills of the implementers of the projects, the scope of work on the implemented projects and the rewarding systems on the implementation of the projects. Four key informants were

sampled from each LGA. These were the coordinators of projects who were directly concerned with the performance of projects. A purposeful sampling technique was used to get the key officials. Information provided by the key informants includes, the level of manpower on the implementation of the projects, information on the independence of implementers of the projects, information on auditing of the projects, information on the documentation of the projects and information on the financial resources of the projects.

Test for validity and reliability were carried out and this ensured the best data for the study. Correction of errors was made as well.

Factor analysis was used to test the validity of the study items. Factor analysis enabled the researcher to make decisions on whether the items under the study explain the dependent variable. In this study, validity shows whether the findings clearly show the human and financial factors on the performance of projects in the LGAs. Factor analysis was computed for the variables under the study and the results had a factor loading above 0.5. Cooper and Schindler (2011) stated that a loading factor which is 0.4 and above is considered acceptable. This statement is also supported by Hakanen *et al.* (2008) in their studies.

Cronbach's alpha was used to measure the

consistency of variables under the study. Zikmund *et al.* (2010) stated that Cronbach's alpha is an appropriate measure of variance attributable to the subjects and variance attributable to the interaction of subjects and items. Hence, Cronbach's alpha was used as a measure of internal reliability. In terms of the specific testing of reliability, the following scores were obtained by testing Cronbach's alpha.

The values in Table 1.1 indicate that knowledge and skills  $\alpha=0.701$ ; working facilities  $\alpha=0.831$ ; The scope of work  $\alpha=0.819$  and the rewarding systems of LGA staff  $\alpha=0.703$  are sufficient confirmation of the data reliability for the independent variables. It is supported by Zikmund *et al.* (2010) that a Cronbach's alpha of 0.60 is an acceptable minimum level.

This paper used only qualitative data. Both primary and secondary data were collected in this study and were used as input. The study has used interviews and desk review methods to collect data qualitative data. The discussions were conducted at convenient places to make the informants comfortable. Each interview session took 25–35 minutes. Information collected through semi-structured interviews include how the LGA staff were involved in human resources, and financial resources; and the effectiveness of project execution.

**Table 1.1: Reliability Statistics**

Variable	Cronbach's Alpha	Number of Items
Performance of the project	0.707	8
Knowledge and skills	0.701	14
Working facilities	0.831	10
The scope of work	0.819	12
The rewarding systems	0.703	5

In this study, written materials were obtained from the financial statements of projects implemented under the selected LGAs. The researcher mainly used financial statements from the five consecutive years (2014/2015–2018/2019) to understand how the value-for-money was achieved in the projects. In addition, financial progress reports and government financial guidelines issued from time to time were used to get more information regarding projects in the LGAs. Information from financial statements enabled the researcher to obtain project budgets, amount of funds received for projects implementation, funds spends for projects implementation. Furthermore, analysis was done for the project working capital, liquidity of the projects and the level of rewarding systems. Hence the researcher after examining the information obtained was able to determine the value-for-money if were achieved on the implemented projects.

The working capital was obtained by computing the ratio of the projects' current assets and the projects' current liabilities. The working capital of the projects for five years was on average 0.5:1. This signifies the projects cannot recover the payables. Moreover, the projected liquidity sounded not good as the projects' cash flows were inadequate. Furthermore, the project staff were not well motivated as there were inadequate reward systems for the implemented projects. This enabled less commitment of project staff.

Value-for-money of projects includes the effectiveness, economy, and efficiency of the implemented projects. Project funds were not utilized as per the approved budget. Furthermore, projects were not completed on time. Hence, communities

and the public at large did not obtain the project benefits as planned. Therefore, projects were not effectively and efficiently achieved

## Results and Discussion

The problem of shortage of skilled personnel in Local Government Authorities seems to have existed for a long time in Tanzania. The Controller and Auditor General-CAG (2017) stated that there was inadequate staffing and management of personnel in implementing projects in poor-performing LGAs and recommended the government fill the staffing gap for qualified technical personnel. The performance of projects depends on several factors namely knowledge and skills, facilities, human resources, and financial resources. This paper attempts to understand the way human capital and financial resources are instrumental in the course of improving the performance of Local Government programming.

Evidence from analysis and data collection from staff who work on the projects reported several issues related to human resources in the project cycle. Interviews undertaken have revealed that most of the projects that have been implemented such as TASAF, Agriculture, and water face three core challenges namely the shortage of qualified staff, limited experience related to the projects, high labor turnover, lack of staff motivation and incentive and issues related to recruitment and deployment. Some respondents noted that nowadays the Government tends to publish vacancies but in the end, thousands of applicants turn up for very few posts. There is a serious problem in terms of even recruiting the right staff



who fit better to the existing projects.

In some cases and projects such as agriculture, and revenue collection to mention a few, the council depends on the part-time staff as well as those who are in field attachment. While the shortage of skilled manpower is a threat to the sustainability of the projects, project implementers also face the problem of deploying unqualified people such as students who are in field attachment. The CAG (2017), Ribot (2002), Venugopal, and Yilmaz (2010) emphasize that for the projects to be successful thus a need to recruit the right staff, who are well-motivated and well-trained.

Development of projects in local government starts with the initiation of ideas that take place through a community participatory approach. The local people are involved in the identification of problems and setting priorities. In addition, the community has been involved in deciding which projects to implement, how much funds to be assigned for each activity, and where to get funds.

Interviews with key project staff show several challenges related to financial resources namely limited funds, delay in funds disbursement, relocation of funds, and even deviation of funds to other projects. Some project staff informed the research team of the shortage of Financial resources that in turn has affected the pace and adequacy of the implementation of the project. There is a tendency to receive more funding in the early phase of the project but as time goes on the flow of funding tends to decelerate and this has happened in big projects such as water, agriculture, and health projects. Even findings from the CAG report of 2020 reported that TZS 55.85 billion was disbursed for projects against 253.87

billion which was approved for 144 entities through agriculture, education, energy and mining, health, and water.

Further analysis shows that Insufficient funds for the projects cause staff to be idle most of the time thus causing the government to pay officers who did not work for the community. In addition, whenever there is a shortage of funding, the project team decides to reduce the project scope, revise the strategies and approaches, and even develop an acceleration plan. All these may affect negatively the performance of the project. When projects stop due to the unavailability of funds, the value-for-money may not be obtained since the desired benefits may not be received by the intended community.

On the other hand, respondents reported that delays in receiving funds for the implementation of the projects affect the value-for-money since the impact of the project is not realized timely and also due to fund delay thus it is likely that changes in prices and costs of materials and labor charges may emerge. Timely disbursement of funds to Local Government Authorities is a key for the management to effectively underperform their duties and assignments as per project Terms of References which seems to be a critical area of debate in this paper. The project coordinators need funds to execute the project as planned. However, in most cases this is not properly done as a result the project coordinators end up providing information on the uncompleted projects due to the non-release of funds. This is a problem for the Project managers and accounting officers who are supposed to put in place all the project requirements before the kick-off of project implementation. Furthermore, results

made from the investigation have found that there is a serious problem in the disbursement of project funds timely. This paper has realized that even some interviews that were undertaken with key staff have proved that project funds are disbursed not at the right time. In addition, inadequate availability of project funds has been mentioned by staff as a challenge facing the implementation of projects in Local Governments of Tanzania. This has led some of the Local Governments to underperform and even be, awarded qualified audit reports as the project value-for-money was compromised. Evidence drawn from the report by the CAGs (2017) recommended the Government take measures to ensure the disbursement of the project funds is done timely, despite this remark the pace to address the issue is still a paradox.

The availability of human resources to implement the project in Local Government Authorities is a key for the management to effectively underperform their duties and assignments as per project Terms of References which seem to be a critical area of debate in this paper. For the project to be effectively executed the availability of human resources is inevitable. However, in most cases, this is not properly done as a result shows that there is inadequate availability of human resources for the project. This is a problem for the Project managers and accounting officers who are supposed to put in place all the project requirements before the kick-off of project implementation. Furthermore, results made from the investigation have found that there is a serious problem with human resources. This paper has realized that even some interviews that were undertaken with key staff have proved that

the human resources are inadequately recruited. In addition, inadequate availability of project human resources has been mentioned by staff as a challenge facing the implementation of projects in Local Governments of Tanzania. This has led some of the Local Governments to underperform and even be, awarded qualified audit reports as the project value-for-money was compromised. Evidence drawn from the report by the CAGs (2017) recommended the Government take measures to ensure the recruitment of human resources of the project funds is done timely, despite this remark the pace to address the issue is still a paradox.

For the auditors to undertake the audit assignment effectively, they need to have in place a list of frameworks or strategies that are in line with international as well as local accounting practices. In this study, this was one of the areas of inquiry and the interest was to understand whether there is an effective auditing undertaken by the auditors and whether they follow all the time a set strategies. Findings from a survey of staff have shown that there is a serious ignorance of auditors to abide and comply with the auditing strategies and framework. There is an expectation that the conclusion made from the audit may mislead the public due to non-compliance on their side. It is only a few of them that confess that they always comply with the listed strategies. There is a list of reasons as to why auditors don't follow the strategies for audit and this is from inadequate capacity building and refresher courses so that they update their skills and also due to changes in the international audit standards that force them to regularly update their skills. Even evidence drawn from desk review of the CAG report (2017) and Magara (2013)

remarked that the internal auditing for projects was not effective due to the non-application of audit standards.

## **Conclusion and Recommendations**

This paper aims to present information regarding the importance of both financial resources and human capital as input for project development, execution, and success. The paper has used descriptive analysis with evidence from key staff who have been part of the project lifecycle. Projects such as TASAF, water, and health have been discussed in connection with the financial and human capital as input of production. Projects in local government still suffer from a shortage of qualified manpower, high turnover of human capital, and weak incentives for staff motivation who are engaged in the project lifecycle. On the other hand, delay of funds, limited funds, fund deviation, and fund misuse have been reported to impact the success of projects in local governments. Thus, this calls for the government to devise robust measures to ensure that both financial resources and human capital are converted to be the best input for project success.

### **Policy Recommendations**

Human and financial resources are critical to the performance of projects. When these resources are weak, poor performance of the projects is obvious. Thus, to improve the performance of projects, there should be effective human resources and financial resources. It is recommended that government policies should insist on effective human capital. This is important because policies would enhance institutional capacities in the projects. Moreover, it is recommended that there should be a reward policy for

the implemented projects to raise the morale of the staff. This observation is also supported by Simiyu (2011) and Schultz (2015).

Therefore, the study recommends the establishment of a People-Centered Holistic Engagement (PeCHE) Model, which would ensure that poor-performing LGA staff were maximally engaged during the cycle of project development.

### **Recommendations to Institutions**

Project performance requires effective human resources and financial resources. The study recommends effective knowledge and skills for the poor-performing LGA staff who are the implementers of projects, availability of working facilities for the projects as well as the human resource and timely availability of the project funds. This is to further cement the recommendation by the CAG (2017), as recommended that, project staff should possess the required knowledge and skills for an effective project implementation. An absence or inadequate institutional capacities results in poor performance of the projects. To ensure that the poor-performing LGA projects are flourishing and project performance is maximized, this study recommends the Government establish a Tailor-Made Institutional Development Framework (IDF) that will customize the requirements of each poor-performing LGA related to human and financial resources. This is important to optimize performance issues, particularly in the implementation of projects.

### **Recommendations on Project Working Culture to Poor Performing LGAs**

As for working culture, it is recommended that staff should be oriented to project

performance. Further, information and communication among the staff and management of the projects should be effective; the reward system should be effective and there should be a commitment to the projects. This study suggests the Government revise the Culture of poor-performing LGAs and develop a Culture Friendly Framework (CFF) to ensure that, the poor-performing LGA staff fit into the existing culture. They should comply with the internal organizational factors to improve project performance.

#### **Audit Recommendation to Poor Performing LGA Projects**

The study recommends that audit strategies, conservative and value-added strategies should be used in auditing the human and financial performance of projects by internal and external auditors rather than conservative strategies, which are currently mostly used. Conservative strategies should be used for compliance with the projects while value-added strategies of the projects should be used to assess the value-for-money of the projects particularly on the human and financial items. Once both strategies are used in auditing, the performance of projects will be improved. In addition, all project implementation should be monitored and evaluated regularly by internal audit to enrich the project management with assurance on the adequacy and effectiveness of the factors that management has put in place to facilitate improvement of the performance of projects. This study recommends that the Government should establish a Tailor-made compliance and value-for-money framework (CVMF) that will customize the requirements for auditing development

projects.

#### **Recommendations to Project Implementers in Poor Performing LGAs**

The study recommends that project implementers should ensure that expenditures were correctly made from the respective budget lines and prior approval should be sought for additional requirements. This suggestion is also supported by Arthur (2018) who remarked that expenditures should be incurred in line with the budgeted codes. Furthermore, the project implementers should ensure that expenditure was made from the authorized activities according to the project/program agreements to avoid ineligible expenditure. This is because project implementers are required to utilize funds according to the existing project guidelines. Moreover, the study recommends that project implementers should exert more effort in project contract management.

#### **Necessary Preparations for disbursement of funds to Local Government Authorities**

Timely disbursement of funds to Local Government Authorities is a key for the management to effectively underperform their duties and assignments as per project Terms of References which seems to be a critical area of debate in this paper. The project coordinators need funds to execute the project as planned. However, in most cases this is not properly done as a result the project coordinators end up providing information on the uncompleted projects due to the non-release of funds. This is a problem for the Project managers and accounting officers who are supposed to put in place all the project requirements

before the kick-off of project implementation. Furthermore, results made from the investigation have found that there is a serious problem in the disbursement of project funds timely. This paper has realized that even some interviews that were undertaken with key staff have proved that project funds are disbursed not at the right time. In addition, the inadequate availability of project funds has been mentioned by staff as a challenge facing the implementation of projects in Local Governments of Tanzania. This has led some of the Local Governments to underperform and even be, awarded qualified audit reports as the project value-for-money was compromised. Evidence drawn from the report by the CAGs (2017) recommended the Government take measures to ensure the disbursement of the project funds is done timely, despite this remark the pace to address the issue is still a paradox.

### **Necessary Action to be taken on the Availability of Project Human Resources to Local Government Authorities**

The availability of human resources to implement the project in Local Government Authorities is a key for the management to effectively underperform their duties and assignments as per the project Terms of References seem to be a critical area of debate in this paper. For the project to be effectively executed the availability of human resources is inevitable. However, in most cases, this is not properly done as a result shows that there is inadequate availability of human resources for the project. This is a problem for the Project managers and accounting officers who are supposed to put in place all the project requirements before the kick-off of project

implementation. Furthermore, results made from the investigation have found that there is a serious problem with human resources. This paper has realized that even some interviews that were undertaken with key staff have proved that the human resources are inadequately recruited. In addition, inadequate availability of project human resources has been mentioned by staff as a challenge facing the implementation of projects in Local Governments of Tanzania. This has led some of the Local Governments to underperform and even be, awarded qualified audit reports as the project value-for-money was compromised. Evidence drawn from the report by the CAGs (2017) recommended the Government take measures to ensure the recruitment of human resources of the project funds is done timely, despite this remark the pace to address the issue is still a paradox.

### **Strategies to be undertaken to carry out project audit assignment**

For the auditors to undertake the audit assignment on human and financial resources effectively, they need to have in place a list of frameworks or strategies that are in line with international as well as local accounting practices. In this study, this was one of the areas of inquiry and the interest was to understand whether there is an effective human and financial auditing undertaken by the auditors and whether they follow all the time a set strategies. Findings from a survey of staff have shown that there is a serious ignorance of auditors to abide and comply with the auditing strategies and framework, particularly on human and financial auditing. There is an expectation that the conclusion made from the audit may mislead the public due to non-compliance on their side. It is only a few

of them confess that they always comply with the listed human and financial strategies. There is a list of reasons why auditors don't follow the human and financial strategies audit and this is from inadequate capacity building and refresher courses so that they update their skills and also due to changes in the international

audit standards that force them to regularly update their skills. Even evidence drawn from desk review of the CAG report (2017) and Magara (2013) remarked that human and financial audit was not effective due to the non-application of audit standards.

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