

**THE EFFICIENCY OF FUNDS CONTROL STRATEGY IN
LOCAL GOVERNMENT AUTHORITIES: A CASE OF KONDOA
DISTRICT COUNCIL- TANZANIA**

By

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**Dissertation Submitted in Partial Fulfillment of the Requirement for the
Degree of Master of Business Administration of University of Dodoma**

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CERTIFICATION

The undersigned certifies that has read and hereby recommends for acceptance by the Dodoma University of Tanzania a Dissertation titled: “*The Efficiency of Funds Control Strategy in Local Government Authorities: A Case of Kondoa District Council-Tanzania*” in partial fulfillment of the requirements for the degree of Master of Business Administration in Finance Management of Dodoma University.

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DEDICATION

This work is dedicated to my beloved parents Mrs Annade Munuo and (late Mrs Elihaika Munuo and Mr. Ernest Nshuba Mmary).

ABSTRACT

The study analyzed the efficiency of funds control strategy in Local Government Authority specifically in Kondoa district council-Tanzania. It was guided by three specific objectives which are: to identify strategies used to control funds in Kondoa local government authorities, to assess the challenges faced by Kondoa local government authorities in applying the funds control strategies and to identify the measures taken in improving funds control strategies.

A sample of 56 respondents was used and these were obtained randomly from Kondoa district council. Methods used in data collection are interviews and questionnaires. The statistical package for social science (SPSS Version 21) was used for data management and analysis.

The findings showed that there are numbers of control strategies applied in the local government along each other. Preparing some handouts that inform and educate the people on how to pay their taxes, on time budget, action plan, monitoring and supervision, capacity building for staff, EPCOR system and internal audit unit, through audit both internal and external and use of control ledgers vote books were among the few funds collecting strategy. Also, there are number of challenges that were revealed against the effectiveness of the funds control strategy. Insufficient budget, few staff, politics, education is very poor to many, insufficient data, lack of facilities, lack of enough sources of revenues, careless of revenues collectors, late release of funds, own sources, poor monitoring of collection centers/routes were few among the many challenges identified.

In regard to the study findings, the following recommendations were put forward by the researcher. The government should consider establishing the strong audit committee which would be able to release financial issues of the institutions. The management conducts several meetings on issue related to revenues and how to overcome the challenges. Despite the number of the strategies used by local government and despite the measures that, have been put in place. This suggests that a more collaborative effort should be done, one including the development and sustainability of sector.

TABLE OF CONTENTS

CERTIFICATION	i
DECLARATION AND COPRIGHT	ii
ACKNOWLEDGMENTS	iii
DEDICATION.....	iv
ABSTRACT	v
TABLE OF CONTENTS.....	vi
LIST OF TABLE.....	ix
LIST OF FIGURES	x
LIST OF APPENDICES.....	xi
LIST OF ABBRIVIATIONS AND ACRYNOMS	xii
CHAPTER ONE.....	1
INTRODUCTION AND THE BACKGROUND TO THE STUDY	1
1.0 Introduction	1
1.1 Background to the Study	1
1.2 Statement of Problem	10
1.3 Research Objectives	11
1.3.1 General Objectives	11
1.3.2 Specific Objectives	11
1.4 Research Questions	12
1.5 Significance of Study	12
1.6 The Limitation of Study	13
1.7 Conclusion.....	13
CHAPTER TWO	15
LITERATURE RIVIEW.....	15
2.0 Introduction	15
2.1 Definition of Key Terms	15
2.1.1 Local Government Authority	15
2.1.2 Concept of Control	17
2.1.3 Notion of Funds.....	17
2.1.4 Funds Control	17
2.1.4.1 Preventive Control.....	17
2.1.4.2 Detective Control.....	18
2.1.4.3 Corrective Control	19
2.1.4.4 Characteristics for an Efficiency Control System	19
2.1.5 Sources of Funds in Public Sectors	20
2.1.6 Financial Sources of Local Government Authorities	20
2.1.7 The Funds Control Strategies	21
2.1.7.1 Budget and Budgetary Control.....	21
2.1.7.2 Limitation of Budget	22
2.1.8 Cost of Control	22
2.1.8.1 Planning.....	23

2.1.8.2	Cost Records.....	23
2.1.8.3	Review Procedure.....	23
2.1.8.4	Periodic Reporting.....	24
2.1.8.5	Impact of the Funds Control.....	25
2.2	Theoretical Framework on Funds Control Strategies.....	28
2.2.1	Democratic School of Thought	28
2.2.2	The Efficiency School of Thought	29
2.2.3	The Developmental School of Thought	29
2.2.4	Models of Funds Control Strategies in Africa.....	30
2.2.4.1	Inherited French Model	30
2.2.4.2	Inherited British Model	32
2.2.4.3	Lusophone Model.....	33
2.3	Empirical Literature Review	34
2.4	Knowledge Gaps	36
2.5	Conceptual Framework	37
2.6	Chapter Summary	38
	CHAPTER THREE	39
	RESEARCH METHODOLOGY	39
3.0	Introduction	39
3.1	Area of Study.....	39
3.2	Research Design	40
3.3	Research Approach.....	41
3.4	Study Population	41
3.5	Sample Design.....	41
3.5.1	Simple Random Sampling.....	42
3.5.2	Purposive Sampling.....	42
3.6	Sample Size	42
3.7	Types and Sources of Data	43
3.8	Data Collection Methods and Instruments	43
3.8.1	Documentary Review	44
3.8.2	Interviews	44
3.8.3	Questionnaire.....	44
3.8.4	Observation.....	45
3.9	Data Analysis.....	45
3.10	Reliability and Validity	46
3.10.1	Reliability	46
3.10.2	Validity	46
3.11	Ethical Consideration	46
3.12	Chapter Summary	47
	CHAPTER FOUR.....	48
	RESEARCH FINDINGS, DATA ANALYSIS AND DISCUSSION	48
4.0	Introduction	48
4.1	The General Profile of the Respondents.....	48

4.1.1	Respondents' Sex	48
4.1.2	Age of the Respondents.....	50
4.1.3	Respondents' Education Level	51
4.1.4	Employees Departments	51
4.2	Strategies Used to Control Funds s in Kondoa LGA	53
4.2.1	Source of Funds within the Council	53
4.2.2	Strategies of Funds Collection.....	55
4.2.2.1	Budgeting and Action Plan.....	55
4.2.2.2	Audit both Internal and External	56
4.2.2.3	Control Ledger and Vote Book	57
4.2.2.4	Hand outs and Education to People.....	57
4.2.2.5	Capacity Building for Staff	58
4.3	Challenges Faced by Dodoma LGA in Applying the Funds Control Strategies.....	59
4.3.1	Insufficient Budget	59
4.3.2	Few Staff	59
4.3.3	Politics	60
4.3.4	Problems Related to Funds Collection Strategies	61
4.4	Impact of the Funds Collection Strategy	62
4.4.1	Budget Fulfillment.....	63
4.4.2	Ensure the Funds Reach the Local People	63
4.4.3	Ensure Proper Use of Funds s	64
4.4.4	Increase in Revenues	64
4.5	Determinant of Effective Funds Control Strategy.....	65
4.5.1	Use Practice of Financial Regulations and Procedures	65
4.5.2	Commitment.....	66
4.6	Measures Taken in Improving Funds s Control Strategies	67
4.7	Chapter Summary	69
	CHAPTER FIVE.....	70
	STUDY SUMMARY, CONCLUSION AND RECOMMENDATIONS	70
5.0	Introduction	70
5.1	Conclusion.....	70
5.2	Recommendations	71
5.3	Recommended Area of Further Studies	72
	REFERENCES	73
	APPENDICES	76

LIST OF TABLE

Table 3.1: Summary of the Sample Composition	43
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LIST OF FIGURES

Figure 2.1: Conceptual Framework.....	37
Figure 3.1: Map of Dodoma Showing Study Location	40
Figure 4.1: Sex of the Respondents.....	49
Figure 4.2: Age of the Respondents	50
Figure 4.3: Education Level.....	51
Figure 4.4: Employees Department.....	52
Figure 4.5 Council's Source of Funds.....	55
Figure 4.6: Strategies of Funds Control	58
Figure 4.7: Challenges of the Strategy Used.....	61
Figure 4.8: Problems Related to Funds Collection Strategies.....	62
Figure 4.9: Impact of the Funds Collection Strategy	65
Figure 4.10: Determinant of Efficiency Funds Control Strategy	66
Figure 4.11: Measures Taken in Improving Funds s Control Strategies.....	69

LIST OF APPENDICES

Appendix 1: Research Questionnaire.....	76
Appendix II: Interview Guide for Key Informants	80

LIST OF ABBRIVIATIONS AND ACRYNOMS

AACs	Anglophone African Countries
AO	Accounting Officer
CAG	Control Accounting General
CAR	Central African Republic
CBGT	Coordinating Block Grant Implementation Team
DMC	Dodoma Municipal Council
FACS	Francophone African Countries
GOT	Government of Tanzania
INTOSAI	International Organization of supreme Audit Institutions
LAC	Lisophone African Countries
LGAs	Local Government Authorities
LGRP	Reform Local Government Reforms Programme
PFM	Public Financial Management
PMO-RALG	Prime Minister Office Regional Administration and Local Government
REPOA	Research for Poverty Reduction
SPSS	Statistical Package for Social Science

CHAPTER ONE

INTRODUCTION AND THE BACKGROUND TO THE STUDY

1.0 Introduction

This chapter gives the general direction of this study upon “*The Efficiency of Funds Control Strategy in Tanzania: A Case of Kondoa Local Government*”. As an introductory part the part consists of the background of the problem, statement of the problem, objective of the study, research question and significance of the study and winds up with the summary of the chapter.

1.1 Background to the Study

World widely there are so many local government authorities but they can be different in some of their aspects like structures, levels of operation, challenges and the boundaries of authorities. In the USA the constitutional and statutory foundation for local government in New York State provides that countries, cities, towns and villages are “general purpose” units of local government. They are granted broad home rule powers to regulate the quality of life in communities and to provide direct services to the people. In doing so, local governments must operate within the powers accorded them by statute and the New York and United States Constitutions (Egbe, 2014).

The home rule powers available to New York local governments are among the most far-reaching in the nation. The extent of these powers makes each local government a full partner with the state in the shared responsibility for providing services to the people.

Local government in New York State comprises counties, cities, towns and villages, which are corporate entities known as municipal corporations. These units of local government provide most local governmental services. Special purpose governmental units also furnish some basic services, such as sewer and water services. School districts, although defined as municipal corporations, are single purpose units concerned basically with education in the primary and secondary grades. Fire districts, also considered local governments in New York State, are single purpose units that provide fire protection in areas of towns. Fire districts are classified as district corporations. There are other governmental entities which have attributes of local governments, but which are not local governments. These miscellaneous units or entities are generally special-purpose or administrative units normally providing a single service for a specific geographic area (Green and zhu, 2010).

The British system of local government, which has been the model for most of that country's former colonies, including the United States, is the most representative of the major types. Largely reformed in 19th century and extensively restructured in the 1970s, the system stresses local government autonomy through elected councils on the county and sub county levels. This system was marked by less central government interference and greater local budgetary authority than in other systems. However, in 1986, six major county governments were abolished by Parliament, while the powers of others were restricted. A special feature of the British system is its use of an extensive committee system, instead of a strong executive, for supervising the administration of public services (Conyers, 2006).

Despite differences among states, local governments of the United States follow the general principles of the British system, except that a strong executive is common. The county remains the usual political subdivision, although it has retained more authority in rural than in urban areas, where incorporated municipalities have most of the local power. In both rural and urban areas the local government's relationship to the state is a complex one of shared authority and carefully defined areas of legal competence. Local governments are pulled two ways, increasingly reliant on state and federal funds to carry out their expected duties, while fearful of losing their traditional degree of local control.

All municipal acts in India provide for functions, powers and responsibilities to be carried out by the municipal government. These are divided into two categories, obligatory or discretionary. Obligatory functions include: supply of pure and wholesome water; construction and maintenance of public streets; lighting and watering of public streets; cleaning of public streets, places and sewers; regulation of offensive, dangerous or obnoxious trades and callings or practices; maintenance or support of public hospitals; establishment and maintenance of primary schools; registration of births and deaths; removing obstructions and projections in public streets, bridges and other places; and naming streets and numbering houses. Discretionary functions include: laying out of areas; securing or removal of dangerous buildings or places; construction and maintenance of public parks, gardens, libraries, museums, rest houses, leper homes, orphanages and rescue homes for women; and public buildings; planting and maintenance of roadside and other trees; housing for low income groups; conducting surveys; organizing public receptions, public exhibitions, public entertainment; provision of transport facilities

with the municipality; promotion of welfare of municipal employees (Conyers, op.cit).

Some of the functions of the urban bodies overlap with the work of state agencies. The functions of the municipality, including those listed in the Twelfth Schedule are left to the discretion of the state government. Local bodies have to be bestowed with adequate powers, authority and responsibility to perform the functions entrusted to them by the Act. However, the Act has not provided them with any powers directly and has instead left it to state government discretion. The Act does address devolution of powers and responsibilities. However, the devolution of powers matching with the relevant responsibilities is left to the prudence of the state government concerned. This leaves it open to the states to transfer powers, together with the challenge of determining whether what is devolved can be managed in terms of sufficient capability and money. In sum, the 1992 Act was a step towards modernizing local government; although still doing so on the basis of the foundation of the earlier era. Currently, there remains the void that can be filled by establishing city regions that would embrace both core cities and the Nagar Panchayats, or intergovernmental cooperative bodies that could be a preliminary mechanism from which more substantive bodies could emerge. Both alternatives can be found in India (Fahim, 2009).

The creation of states in Nigeria has always led to the creation of more local governments by the military. The number of local governments rose from 229 in 1970 to 301 in 1979 and to a peak of 781 when state governments were given authority by the constitution to create local governments. After the overthrow of the civilian administration in 1983, the number was again reduced to 301 and later

raised to 449 in 1987, 589 in 1991 and 774 since 1996. The urge to create more Local Government Areas has been rejected by the federal government. This issue was a subject of litigation between the states and the federal government, which the latter won. This situation led to the withholding of the funds meant for the local government councils in Lagos State during President Obasanjo's era. However, this action was voided by the Supreme Court. Therefore, all the local government areas created by the state governments then have been reverted to development areas (Adamolekun, 2002).

During the Babangida era, from 1988, the federal government strengthened local government institutions by abolishing the Ministries of local governments, paying federal allocations direct to the local governments, granting local governments authority to prepare and approve their own budgets and taxes independently, transferring primary education and primary healthcare and all related issues and increasing the local government share of federation account. From 1999 when the present administration came into being, the fates of local governments have declined. The 1999 Constitution has placed local government directly under the state's control, Ministries of local government have been reestablished in many states, and no more direct funds of local governments and the practice of presidentialism at the local government level is now in place in many states of the federation. Today, however, local governments remain the key institution in local governance. It is the basic unit of the country's political system, the primary level of grassroots political mobilization, and a major reference point in the distribution by government of certain economic and social goods and services (Otobo "Nigeria", in Adamolekun, 2002).

The local government revenue systems currently in place in Sub-Saharan Africa are largely adopted from developed countries, generally from the former colonial powers.

Local taxation in urban municipalities in Francophone Africa therefore follows the French administrative tradition, while countries in Anglophone Africa follow the English tradition. Local government institutions in most African countries often appear to be decentralized extensions of the central government. Mobilization of own local revenues is a condition for the development of decentralized local authorities.

The Local Government Authority was reintroduced in Tanzania in 1982 through Acts No.7 and 81 which reintroduced rural and urban Local Government Authorities respectively. In the early 1990's the Government embarked on Public Service Reform Programme (PSRP). Political reforms followed in 1992 when Tanzania re-introduced Multi-Party Democracy which rebased hopes for an improved performance through greater involvement of citizens. The anticipated improved performance in funds control strategies employed in the local authority as development initiatives through broad-based public involvement was not being achieved as anticipated (PMORALG, 2004).

The Local Government Reform Programme was formulated and implemented by the government in order to address the problems related to poor funds collection as well as management of collected funds at Local Government Authorities. Through the programme, the government aimed at strengthening Local Government Authorities and transforming them to be effective instruments of social and economic

¹ Local Government (Rural Authorities) Act, Act No. 7 of 1982 and Local Government (Urban Authorities) Act, Act no.8 of 1982

development at local level through better funds control strategies. This has been addressed by the government in "A Local Government Reform Policy Paper" of 1998. The policy paper was preceded by the Reform Agenda (1996 -2000).

The main goal (long-term) of LGRP was to contribute to the Government's efforts of reducing the proportion of Tanzanians living in poverty. Its purpose was to improve funds control strategies employed in the local authority, quality, access and equitable delivery of public services, particularly to the poor. These must be provided through reformed and autonomous local authorities (PMORALG, 2004). This also involved taking away Local government personnel from ministerial subordination, and restructuring local government administration. Through this, Local governments would be able to recruit their own staff, organized in a way decided by their respective councils in order to improve funds control strategies employed in the local authority.

Local government has wide and complex functions to carry out public activities. The exercise of these powers involves expenditure of public money. Virtually all the services that government can provide whether were central or local government cost money. Several reasons were identified for poor funds control strategies (PMORALG, 2004). Lack of financial independence which means local government have no complete independence for the localities were part of a whole and were not separate sovereign states. Lack of arm's-length relationship between tax collectors and taxpayers introduces economics of affection into village tax collection. In many villages, before the abolishment of development levy in June 2003, local politicians often resisted to mobilize people to pay taxes due to the unpopularity of taxation.

Local government tax collection was the responsibility of the council, and was completely separated from the central government. In district councils it was organized around three levels, namely the council headquarters, the wards and the village levels.

In urban councils collection was organized by the two upper levels. At the council headquarters the responsibility for tax collection rests with the council treasury, headed by the Treasurer. At the ward levels, the responsibility rests with the office of the ward executive officer (WEO). The WEO also handles developmental issues and law-and-order functions at that level. For This purpose the local militia was at their disposal. In wards with greater revenue potential there will also be a ward revenue collector (WRC) to support the WEO. At the village level, the responsibility rests with the office of the village executive officer (VEO) (Chaliga, 2004).

The VEO was also responsible for supervising village developmental activities and maintaining law and order. In addition, the VEOs often function as secretaries of the village council. In practice, organization of tax collection varies between councils. For instance, in some council the village level has been excluded from collection, which has been taken over by the ward level. This was partly due to incentive problems connected with tax collection at the village level that arises from the VEOs operating within their areas of domicile.

Most case councils have introduced new methods to increase revenues from existing sources by outsourcing some of the revenue collection to private collectors to increase revenues from existing sources. Only in Iringa DC all own revenues were collected by the council staff. Most taxes were paid in cash. One exception, before June 2003, was that civil servants had their head tax ('development levy') withheld

from their salaries. For the others, development levy was paid during office hours at any of the revenue collecting centers' mentioned above. The statutory voluntary period was from January 1 up to September 30. All tax payments made after the deadline were subject to a penalty equivalent to 50 per cent of the tax rate.

As from October 1 to December 31 development levy payment 'campaigns' were conducted, organized by the ward office and using state organs, i.e. the local militia and judiciary, to ensure compliance. This has been addressed by the government in "A Local Government Reform Policy Paper" of 1998 (Chaliga, op.cit.).

Until the use of force in tax collection was banned by the central government in 2002, tax defaulters were visited in their homes and people were often required to show tax receipts at roadblocks. Manned barriers were also used to control buyers of certain crops like cashew nuts in the Coastal Region. The buyer had to produce receipts before they were allowed to transport the purchase outside the district.

Similar checkpoints were used to control people for 'development levy' and bicycle tax. Roadblocks Fjeldstad & Semboja (2000) and Fjeldstad (2003) for further details on local government taxation and tax administration during the period 1995 - 2002. Also used to collect market fees, implying that the fees had to be paid before the goods entered the market place. Market fees and crops are, in general, collected at the selling points and markets. However, 'big buyers' of cashable goods (often co-operatives) were expected to pay directly to the council treasury.

Due to the reasons above, that means inadequate of funds s, government has been establishing different funds control strategies to make sure that the amount obtained from local sources and outsource was properly used. These strategies include budget, periodic financial reporting and cost control strategies.

Apart from these the government has appointed a United States software provider, Soft-Tech Consultants and EPCOR Software Corporation, to establish an integrated financial management system (IFMS) in government departments so as to control over-expenditure of government funds.

1.2 Statement of Problem

Although the strategies have been there for several years but misuse of public funds have been normal problems in local governments and other public institutions. It was due to this fact that stimulates the researcher to undertake this research to see whether these strategies were effective or not. In the developing country funds to develop each area is a problem. The funds have been obtained by the government from different sources for the different purposes. The government funds were obtained from both internal sources like taxes and from external sources like aids and loans (Arens, 1997).

This kind of money had been obtained for specific target and has its own budget. However if there is no good control of these funds specifically from the local government it then result from the misuse or misallocation thus ends with poor attainment of government goals and objectives. Control of funds in Local Government Authority has been a problem due to misuse and misallocation of funds the main sources of funds for LGA were money received from the central government, collections from taxes, fees, and licenses. The money obtained was then used for the development activities and provision of social services. Some of these funds were not used as intended due to misuse and misallocation of cash.

This has led to incompleteness of some projects because the funds provided for a particular project was not all used for that purpose. It was because of this problem the researcher has decided to undertake a research/study on how funds were controlled in LGA. Therefore, the study aimed at assessing the effectiveness of funds control strategies for better performance of the government goals (Arens, op.cit.).

1.3 Research Objectives

Research objectives categorized into two categories namely; general objective and specific objectives.

1.3.1 General Objectives

The main objective of the study was to assess the efficiency of funds control strategies in Tanzania local government authority. The study deals with funds control strategy basing on the funds management so as to have proper allocation and alleviate the misuses of government funds.

1.3.2 Specific Objectives

- i. To identify strategies used to control funds in Kondoa local government authorities.
- ii. To assess the challenges faced by Kondoa local government authorities in applying the funds control strategies.
- iii. To identify the measures taken in improving funds control strategies.

1.4 Research Questions

There were some questions that need to be addressed. These questions were key engine for the researcher to understand and collect informative data concerning the efficiency of funds control strategies. Thus the questions were focusing on the following:-

- i. What are strategies used to control funds in Kondoa local government authorities?
- ii. What are the challenges faced by Kondoa local government authorities in applying the funds control strategies?
- iii. Which measures have been taken in improving funds control strategies?

1.5 Significance of Study

This study is important because it will help the finance department to create awareness concerning the effective utilization of funds and to facilitate the proper allocation of funds through effective control of funds as well as to give suggestion and recommendation on the best way to control the government funds by minimizing chances for misuses of government funds and influence the donor to provide more funds for local government development.

This study may contribute to the Finance practitioners to get some hints on strategies related employed in collection of funds in working organization through knowing the causes of problems, challenges and its consequences in individuals as well as the municipal at large. The study also would benefit research and academic community especially those interested in Finance Management issues as they would get the references from this study as well identifying area for research activities.

It besides creates benefits on the government and business economy of Tanzania with respect to future prospects in terms of best funds s collection models and theories that local governments as well as business organization can utilize. The government and business economy will as well gain positive insights about best strategies in funds s collection and other assimilation that were of relevant tenets.

The study has also a significant in the partial fulfillment of Masters of Business Administration specifically in Finance Management and the successfully completion of this study will result to be rewarded MBA.

1.6 The Limitation of Study

The researcher was encountering the following limitation during research as follows:-

- Unwillingness of the respondents to participate actively during data collection.
- Time allocated for research seems to be short due to late starting of research.
- Response rate was low due to the fact that the respondents mostly their survival depend on petty business. Being interviewed without being paid some considered as wastage of time.

1.7 Conclusion

This chapter has presented the general introduction of the whole study. It began with the presentation of the different facet with respect to the concept of internal audit in the problem it has shown how there was an information gap of knowledge with respect to effectiveness of the funds control strategies In local government authority in improving public services within its boundary.

It focused on background information regarding the subject matter and describes the background information, states the problem, research objectives and questions, the significance, scope, limitations and structure of the research study, while the next chapter (Chapter Two) deals with the literature review for the study.

CHAPTER TWO

LITERATURE RIVIEW

2.0 Introduction

This chapter provides a review of literature on funds control strategies. The chapter begins with description of each of these concept and theories related to funds control strategies. Later it presents the selected empirical studies related to funds control strategies both positive and negative results. The chapter winds up with conceptual frame work of the study.

2.1 Definition of Key Terms

2.1.1 Local Government Authority

Local government is the transfer of decision making power and assignment of accountability and responsibility for results. It is accompanied by delegation of commensurate authority to individuals or units at all levels of an organization even those far removed from headquarters or other centers of power (PMO-RALG, 2006).

Local government is the government of a specific local area constituting a subdivision of a major political unit as a nation or state also the body of persons constituting such a government. Local government is an administrative body for a small geographic area, such as a city, town, county, or state. A local government typically only has control over their specific geographical region, and cannot pass or enforce laws that affect a wider area. Local governments can elect officials, enact taxes, and do many other things that a national government would do, just on a smaller scale (Chaligha, 2003).

Local government is a form of public administration which in a majority of contexts, exists as the lowest tier of administration within a given state. The term is used to contrast with offices at state level, which are referred to as the central government, national government, or where appropriate federal government and also to supranational government which deals with governing institutions between states. Local governments generally act within powers delegated to them by legislation or directives of the higher level of government (Conyers, 2006).

Functions of Local Government Authorities

LGA's have two types of functions, namely mandatory and permissive functions. Local Government Authority is that part of the government operating on a local level, functioning through a representative organ, known as the Council established by law to exercise specific powers within a defined area of jurisdiction (Elcock, 2013). Local government is defined as a political subdivision of a nation (in a federal system) state, which is constituted by law and has substantial control of affairs including the powers to impose taxes or to exert labour for prescribed benefit. Local government is an institution established by law to perform or execute specified functions within a specified area of jurisdiction i.e. Village, Ward, District, Town, Municipal, and City councils (Venugopal & Yilmaz, 2010).

Therefore, for the purpose of this study LGA could be defined as a political administration of a smallest subdivision of a country's territory and population, because the study focused on Kondoa District council as a case study to represent the LGA's in Tanzania (Pallangyo & Rees, 2010).

2.1.2 Concept of Control

Control is making something happen the way it is planned to happen (Sawyers 1996:84). Controlling is the process whereby managers go through to control. Internal control consists of the policies and procedures established and maintained by management to assist in achieving its objective of ensuring, as far as practical, the orderly and efficient conduct of -the entity's business. The responsibility for ensuring adequate internal control is part of management's responsibility for the ongoing activities of the entity.

Sawyers (1996:84) pointed out that control is designed to carry out various functions. Some are installed to prevent undesirable outcomes before they do happen. Still others are designed to make sure that corrective action is taken to reverse the undesirable outcome or to see that they do not reappear. All of them in concert function to see that some management objective or goal was met.

2.1.3 Notion of Funds

Funds are a sum of money or other resources set aside for a specific purpose: a pension funds, funds is available money; ready cash: short on funds. Funds s control is making sure that funds are safeguarded. This is done through employing different control methods (www.mamaa.com).

2.1.4 Funds Control

2.1.4.1 Preventive Control

The preventive control is generally most effective than detective control. When employed in a system, preventive control forestalls errors and thereby avoids the cost of correction.

Preventive control includes for example, trust worthy competent people, segregation of duties to prevent intentional wrong going. Proper authorization to prevent improper use of organization resources, adequate documentation and record as well as proper record keeping procedures to determine improper transaction and physical control over assets to prevent their Detective controls are usually expensive than preventive control, but they are too essential. First they measure the effectiveness of the preventive control, second some errors cannot be effectively-controlled through a system of prevention must be detected when they occur.

Detective control includes review and comparison of such records of performance and independence checks of performance. They also includes such control devices as bank reconciliation, confirmation of bank balances, cash account, physical account of inventories and analyses of various confirmation with suppliers of account payable, computerized techniques such as transaction limits passwords, and edit and system of review like internal auditing improper conversionary use (Sawyers op.cit.).

2.1.4.2 Detective Control

Detective controls are usually expensive than preventive control, but they are too essential. First they measure the effectiveness of the preventive control, second some errors cannot be effectively-controlled through a system of prevention must be detected when they occur. Detective control includes review and comparison of such records of performance and independence checks of performance. They also includes such control devices as bank reconciliation, confirmation of bank balances, cash account, physical account of inventories and analyses of various confirmation

with suppliers of account payable, computerized techniques such as transaction limits passwords, and edit and system of review like internal auditing (Certo, 2010)

2.1.4.3 Corrective Control

This type of control takes over when improper outcome occurs and is detected. All the detective control in world is valueless if the identified deficiency remains uncorrected or can be permitted to reappear. So management must develop system that keeps the sport on an undesirable condition until it is corrected and where appropriate must set up procedure to prevent recurrence. Documentation and reporting keep problems under management surveillance until they have been solved or corrected (Certo op.cit.).

2.1.4.4 Characteristics for an Efficiency Control System

Certo (2010) points out that the focus should be on strategic control points. The control system must reflect and support the organizations established overall priorities so that the activities of strategic significance where deviation leads to greatest harm receive the immediate corrective action and minor activities get lower priority for control purposes. Also the ultimate aim of the control process is to attain organization objectives. Controls must provide useful and understandable information. Misunderstood controls will not be applied properly. Controls should report deviations quickly so as to minimize the effects of deviations. Likewise, controls must be designed so that the right people can monitor the activities of their own fields.

2.1.5 Sources of Funds in Public Sectors

One source of funds for the public sector is money made available by public sectors; that is by the government. In taking of this role the government is acting as financial intermediary. Government through taxation can take funds from household sector that saves the most and channel this into approved business investment, or alternatively they can also borrow in the capital and money markets and make these the normal private market mechanism for the allocation of savings (Akpan, 1992).

2.1.6 Financial Sources of Local Government Authorities

Rates; rating is a process by which land is taxed (Akpan, 1992) puts that the valuation for rating Act 3 empower the local government authorities to value land for the purposes of imposing rates.

Fees and charges: Mbaru, (2001) contents that local authorities have power to license some activities and business within their area. Thus, they impose some fees or charges for issuance of such license. They may also impose fees or charges for services of facility provided or services they supplies such services include water, sewage, market services and parking fees.

Borrowing; Local authorities have statutory borrowing power. Danish (1976) through majority of its member present in meeting, a local authority can raise money through loans for the purpose of its functions. This however subject to the minister's approval.

Central government grants; Grants from central government are important to meet the cost of establishing new services. In case of poor local authorities, grants help them to equalize their costs so as to enable them offer equal services.

It helps them to provide and maintain better services. Grants system also provides a suitable means for central government to local authorities (Mseno, 1985).

2.1.7 The Funds Control Strategies

2.1.7.1 Budget and Budgetary Control

A budget is the quantitative expression of a plan and to the coordination and implementation (Charles, 1999). Budgeting is a management tool used for shorter term planning and control. Traditionally, budgets have been employed as devices to limit expenditure, but as much more useful and constructive view is to treat the budgeting process as a means for obtaining the most effective and profitable use of the economy's resources via planning and control (Wilson; 1974:183). Thus whereas budget in them are the tools of planning the process of budgetary control is both a planning device and a control device:-

- i. To determine progress towards the achievement of short-term plans
- ii. Ensure coordination between key areas of the institution e.g. between marketing and production.
- iii. Delegate measurable responsibilities to managers without loss of control.
- iv. Provide a controlled flexibility for meeting change in the short-term.

Business/project plan can be modified to meet financial possibilities before it is too late to make necessary changes. Mahushi, (1985:11-17) argues that a budget must be prepared to match activities being carried out so as to maintain the most realistic requirement of funds for origination activities.

2.1.7.2 Limitation of Budget

- i.** They make allowance for tasks to be performed only in relation to volume rather than time.
- ii.** They compare current costs with estimates based only on historical analysis.
- iii.** The delicate internal logic of static budgets is destroyed if top management reacts to draft budgets by requiring changes to make to particular items which are not reflected through the whole budget.
- iv.** They tend to build-in bias that tends to perpetuate inefficiency.
- v.** Budgets are not automatic in operation; they are tools, which require skillful operation to make them effective. They must be used intelligently to produce results that justify their existence.
- vi.** Budget should be monitored through deplaned and orderly process to ensure that Funds are received.
- vii.** Money spent do not exceed amount of funds awarded.
- viii.** Allocations should be spent according to budget plan.

2.1.8 Cost of Control

Accountants define cost as a resource sacrificed or foregone to achieve specific objectives. (Charles, 1999:26). This is verified from the recommendation number four given by Tanzania Audit report that cost control should be exercised to improve the overall performance. According to Tanzania statement of Auditing standards and Guidelines defined cost control as the regulation by executive action of the cost of operation an undertaking” Regulation by executive action”.

Implies as a systematic process whereby management techniques and skills guided by accounting functions are directed to operate an undertaking at the minimum cost consistent with benefits derived. Effective cost control must have the following matter, which must be considered seriously:-

2.1.8.1 Planning

Having established the expected levels of production forward, plans must be laid down. Further, on the basis of such levels of production, budget of cost is also prepared. In order for plans and budget to be valuable to the institution, it is imperative that all department managers are involved right from the initial stage of budgeting.

2.1.8.2 Cost Records

It is extremely important that all actual cost information must be recorded accurately and suitable analysis done wherever possible otherwise any effort to compare actual costs against budget is meaningless.

2.1.8.3 Review Procedure

Well-defined procedures must exist for the review of actual cost and comparison with standards and budgets. The recording system must be produces data, which is relevant and useful to management. Any effective system of control must be able to identify any variation when comparison was made between actual results and budgets.

2.1.8.4 Periodic Reporting

Periodic reporting to top management and the board, which contain objectives of audit, findings, conclusion and recommendation any action recommended and approved by the boards as the results of audit findings should be taken into consideration immediately by management and plans for changes should developed and implemented before further risk or new developments take effect and create complications. Therefore reports should be timely, accurate, meaningful, and economical.

Some principles for establishing a satisfactory internal reporting system include:-

- i. Reports should be made in accordance with assigned responsibilities.
- ii. Individuals or units should be required to report only on those matters for which they are responsible.
- iii. When appropriate performance reports should show comparison with predetermined standards of cost and quality. Controllable costs should be segregated.
- iv. Report recipients should be polled periodically to see if they still need the reports they are receiving or if the reports need to be improved.

The Tanzania statement of audit standards and guidelines number 2 p32 explains that is important that the auditors should report as soon as possible significant weaknesses in internal controls, come to their attention during the course of an audit to an appropriately senior level of management of the Institution.

2.1.8.5 Impact of the Funds Control

According to Hicks, (2001) the best global funds are now evolving in an external environment of constrained funds is accompanied by greater scrutiny of cost effectiveness and oversight. Resource mobilization has become more challenging. Implementing countries are worried about protecting the gains made and further scaling up programs to contain and reverse the devastating impact of the diseases.

The Global Funds Strategy, however, have realized that if well implement; there is real opportunity to significantly alter the trajectory of the epidemics. Promising new technologies and interventions are emerging and increasing efforts are being directed towards strengthening health and community systems.

On the other hand Smoke, (2003) argued that, roll funds control Strategy seeks to capitalize on the opportunity and provides clear strategic actions to meet defined targets, based upon global targets set by UNAIDS, the World Health Organization (WHO), and the Stop TB and Roll Back Malaria partnerships. The roll funds strategy constantly ensures absolute funds control and reposition the Global Funds to strategically invest for impact. The strategy has been able to accelerate the progress towards achieving the MDGs and thus to make an even greater contribution toward the vision of a world free of the burden of HIV/AIDS, tuberculosis and malaria with better health for all.

Parker, (2010) ending extreme poverty and building shared prosperity require evidence to identify those programs and policies that will have a real impact. The World Bank's Funds Control Strategic Impact Evaluation Funds (WFCSIEF) makes this happen by investing in impact evaluations of innovative human development

programs in low-and middle income countries, and by working directly with policymakers and other key stakeholders to use the results and build better policies and programs that successfully improve people's lives.

WFCSIEF is a multi-donor funds control strategy created in 2012 with the support of the British government's Department for International Development (DFID). The strategy has enabled to collect the funds enough to currently focus on four human development areas that were crucial to improving the lives of the world's poorest and most vulnerable: Early Childhood Development and Nutrition, Basic Education, Health Systems and Service Delivery, and Water Supply, Sanitation, and Hygiene.

This assertion is not too far from that of Africans, as a recent study in Nigeria also found that despite the increase in the total amount of funds s available to local government in Nigeria since early 1990s as a result of good funds collection strategy, poor funds control strategy has made its economic and financial profile still very poor, relative to the development programme it is expected to carry out” (Arowolo, 2009; Kamla, 2010).

Also Hussein, (2004) asserts that decentralization initiatives in Malawi are still pursued in the context of a centralized financial system. Overall, it appears that central government has been more willing to share its responsibilities with local government than to share its revenue. In Ghana, even though local governments have other sources of income such as ceded revenue and internally generated funds; it is sadly inadequate given the extensive responsibilities decentralized to district assemblies. So, in an attempt to enhance financial autonomy of local authorities led to the introduction of the district assembly common funds.

However, the introduction of the District Assemblies' Common Funds (DACF) in 1994 as a strategy to enhance financial autonomy and effective local government administration came as a big relief to the District Assemblies. For instance, between 1994 and 2005, the government had released a total of 3.32 trillion old Ghana cedis under the DACF to District Assemblies for their programmes (Gyamfi, 2007: 15) and cumulative releases into the Common Funds since its inception from 1994 to date stands at GHC1, 365,157,839.20 (2010, District Assembly Annual Report).

Although, the Assembly has been able to use the funds to provide a number of development projects, its utilization and management reveal high level mismanagement of the funds (Ayee, 1995). This situation undermines the effort of the Assembly to provide efficient service delivery to the people in the local areas. Moreover, it could be said that allocations of the funds to the Assembly have undermined the effective collection of Assembly's internally generated funds instead of serving as motivating factor. As a result of limited tax revenue due to poverty and general distrust by the local people, the Assembly now relies on the common funds rather than their own resources.

Besides, the cost of collecting the revenue is found to be high. This is because the number of revenue collectors in the district is big and, therefore, their salaries and allowances and that of the other staff take a big portion of the internally generated funds. According to the District Financial Officer the number of permanent and casual collectors in the district was 77%. This has put a lot of pressure on the Common Funds to meet the ever increasing needs of the majority of residents, especially the rural poor in the district. An effective mobilization of the local revenue is crucial as it can complement the common funds to bring more

development to the rural areas thereby accelerating the poverty reduction efforts of the Assembly (Ayee, 1996:94).

2.2 Theoretical Framework on Funds Control Strategies

There are three theoretical schools of thought to justify the need of funds control strategies in LGAs, the democratic participatory school, the efficient service school and development school.

2.2.1 Democratic School of Thought

This school of thought holds that local government function is to bring about democracy and to afford opportunities for political participation to the citizen as well as to educate and socialize them politically. In this line of argument, Mackenzie (1964) claims that the good form of government is the representative government because it promotes liberty equity and fraternity, making men look beyond their immediate interest and promotes political education, participation and communication.

Furthermore he asserts that local government is a prime element of democracy and demonstrates the intransitive value of democracy, irrespective of service it provides using resources endowed from central government. Thus, funds control becomes a central tool for effective democratic provision of service to the citizens. Government is truly representative when all types of people can take part. The local government level offers the closest thing to widespread consultation and participation.

According to Adeyemo (2005) participation is vital to democracy, since it is the community that people appreciate and tolerate each other views, and learns the art of

practical politics. Local government has become the training grounds for political elites of higher level of government.

2.2.2 The Efficiency School of Thought

This school of thought argues that what is central and important to the local government is not bring about democracy, but rather that local government must be judged by its success in providing services up to a standard measured by a national inspectorate. According to the efficiency school of thought social services are provided smoothly if funds to the local government are managed and utilized. According to Adeyamo, (2005) this school for example provides a very strong case for local government on the grounds that it is a most efficient agent for providing those services that are essentially locally. He suggested that the efficiency performance of these services are so compelling that if local government does not exist, something could be created in its place, meaning the institution was indispensable. Even the decentralized form of national government cannot play this role because of the level of coordination.

The main functional responsibility of local governments therefore are carrying out efficiently local duties allocated to it, at the highest rate hence there is need for funds control strategies for efficiency service provision.

2.2.3 The Developmental School of Thought

This school emphasizes on how local government in the developing world can be an effective agent of a better life, an improved means of living, socially and economically, through funds received from central government and a means to a better share in the national wealth.

According to Gboyega, (1987) developmental School of thought is for development at lower level of government where citizen live. He further says “financial control mechanisms are essential to achieve development in LGAs”.

2.2.4 Models of Funds Control Strategies in Africa

The funds control strategies of African countries reflect both public financial management(PFM)systems and traditions of the former colonial powers, and changes introduced over the years(INTOSAI,2001).as a result, three boards group for PFM have emerged in Africa including the French based system in the Francophone African countries (FACs),and the British –based system in the Anglophone African country(AAs) ,and the Portuguese model in the Lusophone African country (LACs).the main differences among these three groups lie in the degree of centralization of the financial control system ,and the role of the ministry of finance and the line agencies during the expenditures excursion process. This generalization of PFM system in Africa as forming three broads does not make existence of significant variations within each group both in terms of regulatory ,institutional and operation framework .these models are briefly discussed in the chapter that follows.

2.2.4.1 Inherited French Model

Financial control in FACs derived largely from the French system as it existed in 1960s in the French provincial Government. however, there are some differences , FACs, have not only intensified the centralization of financial and accounting controls under the authority of the ministry of finance in 1960s, but the minister of

finance has also become the single and principal payment authorizing officer (Oshisami, 1992).

In the FACs (except Mali and Benin), the responsibility for financial control strategies is centralized in the general directorate of financial control in the ministry of finance (INTOSAI, 2001) the staffs of this directorate are out- posted in the line ministries and operate under the supervision of the ministry of finance. The payment authorizing officer is separate from the financial controller. As it is in the case of France until recently, the FACs, also make a clear distinction between the authority that does payment (the payment authoring officer) and the authority that makes the payment (Oshisami, 1992). This separation is aimed at reducing the risks of misappropriation and misuse of public funds s, facilitates the assignment of responsibilities in the event of misconduct. Under this system the budget authority is a commitment based .in other words the spending agencies can commit expenditures' under the annual budget law up to an authorized ceiling.

According to INTOSAI (2001), the FAs, countries annual budget authority is further regulated by the minister of finance who releases warrant specifying a commitment ceiling for particular month or quarter. A complimentary period is allowed after the close of the fiscal year to process and record cash payment transaction in respect of late obligation. The key elements of French model are the principles of separation of responsibility and centralization of financial control.

The principle of separation means that no single individual or agency should control all key stages of an expenditure transaction. Therefore, duties and responsibilities should be segregated and assigned systematically to different authorities to ensure

that effectiveness checks and balances exist this system has also a number of built in redundancies/overlaps in control to reduce risk of insufficient oversight that could lead to waste or misappropriation of public money.

2.2.4.2 Inherited British Model

The AAs have inherited the British model which is characterized by the devolution of the responsibility for financial control to line ministries. The accounting officers in the spending ministry, usually the permanent secretary, were responsible for the proper use and control of the ministry appropriations. therefore, after the warrant has been released ,line ministries has the power to (i)make commitment against their budget appropriations and authorized cash ceiling without reference to the ministry of finance and(ii)issue payment order themselves .however, the execution of payment remain centralized in many AAC countries under Accountant General (Jones,1992).

In this type of system the budget authorization and appropriations are cash based therefore, there is no compliment period, and at the beginning of a new fiscal year in principle, no cash transaction pertaining to the previous year's budget should take place unlike the French system, the key principle here are integrations and decentralization .the British models assign both the authority to send and the responsibility to ensure the regularity of each transaction to the same agency. The argument is that, separating the two might create confusion about accountability and coordination as each expenditure transaction would be linked to more than one agency.

2.2.4.3 Lusophone Model

Financial control in LACs, like Angola, Cape Verde Guinea Bissau, Mozambique and Sao Tome is quite similar to that in FACs, (INTOSAI, 2001). It is centralized in the ministry of finance and is multi stepped .however, there are few key differences between the expenditure execution system in FACs, and model prevalent in LACs. LACs, are characterized by a higher degree of centralization in the sense that the overall budget execution responsibility, including the responsibility for financial control is concentrated in one office, the budget office itself e.g. Guinea Bissau and Sao Tome or the account officer in Angola and Mozambique (INTOSAI, 2001). moreover, whereas in FACs the payment authorizing officer was separate from financial controller officer, in LACs, these responsibilities are exercised by the same authority.

The LACs have an additional layer of financial verification that is exercised by the expenditure department, which is tasked with confirming the control undertaken by the accounting office. For contrast in excess of a certain entry a judiciary approval is also required. Recently, Angola and Mozambique have deconsecrated some expenditures responsibilities and assign them to line ministries. The system was virtually the same in Equatorial Guinea, the only Spanish –speaking countries of the African continent. Financial control and budget execution are more generally the most centralized in Equatorial Guinea, where all expenditures’ initiatives have to be cleared by the president’s office.

2.3 Empirical Literature Review

Although recent studies show that some data regarding local government funds are recorded on regular basis by finance and accounting departments, there is no comprehensive database of local government fiscal data (Mush, 2006) holds that where data have been well recorded and kept, there is no systematic analysis performed on the data monitors the overall government system and operations. In response to the need of local government finance statistics, a team under the name Coordinating Block Grant Implementation Team (CBGT) was formed to review the statistical method employed in a LGAs under the local government reform program in November 2004. The team comes up with Local Government Fiscal Review 2004 report which provided an accurate and comprehensive overview of financial status of LGAs. In brevity; the report provided an insight of the importance of funds control in LGAs.

Further studies held in the past indicate the role of Internal Audit in the control of funds. Carlsberg *et al.*, (1985) provide empirical support for financial control effectiveness in LGAs. In their sample of 50 district councils in the United Kingdom, seventy percent of the respondent acknowledged the importance of funds control or audit mechanism in monitoring the effectiveness of the performance of LGAs. In another study, a REPOA in 2006 on measuring performance of service delivery to six local government authorities showed that 84.2% of the respondents observed that embossment of public resources existed in local government authorities. The report cited poor adoption of funds control strategies as a main reason for embossment and resulting poor service delivery.

It has equally been argued that, the challenges that Tanzania has been facing since independence are not only how to set up an appropriate political administrative frame work for participation and national development of citizen but also to set up proper financial management system in all LGAs (Carlsberg *et al.*, (1985). This is an order to ensure smooth control and hence efficient social service provision among its people. This fact addresses the ineffectiveness of funds control strategies in local government authority since independence.

Actually, in many budget speeches, the government acknowledges under performance of LGAs .For this reason, the government has pledging to further support LGAs so that they can improve performance. The government speech of 2006/2007, indicated examples, in recognition of the underperformance of local governments. The government prepared five years plan which started from 2005-2010 to empower local government by creating capacity in terms of improving the funds control system, among other performance improvement strategies (Carlsberg *et al.*, (1985).

Mushi and Melyoki, (2006) observed that there on going reform programme (LGRP) in order to strength management of the funds and accountability in LGAs. Despite of these, local government performance has been worsening to the extent that the public question the rationale for continuing to have local government authorities in the first place (Mmuya, 2002) is trend also indicates the ineffectiveness of funds control strategies in LGAs. Argue urge

McCahey, (1986) further portrays the ineffectiveness of funds control system in a study conducted in Australia; more than 80% of the council investigated showed poor performance in delivering social services.

The author like REPOA (2006) attributes the poor performance of control of funds received from central government. The author further sites instances the habit of using funds s without relying on the budget and financial regulation and lack of accountability among leaders as all resulting from poor adoption of funds control strategies.

Performance reports in some districts show that currently, the role of leaders enhancing financial transparency is very low in practice (Mushi and Melyoki, 2006). Fjelstad *et al.*, (2004) furthermore, say that bad practice on the part of the councils leaders to utilize funds irresponsibly, underscores the dominance of the financial control in many LGAs. This ineffective funds control matches (2006) contention. Potts, (1977) also states that, the management and accountability of the local authorities finance was a matter of concern not only to councilors and district leaders but also to every citizen who contributes to the raised revenue, if effectiveness of financial control was to be realized.

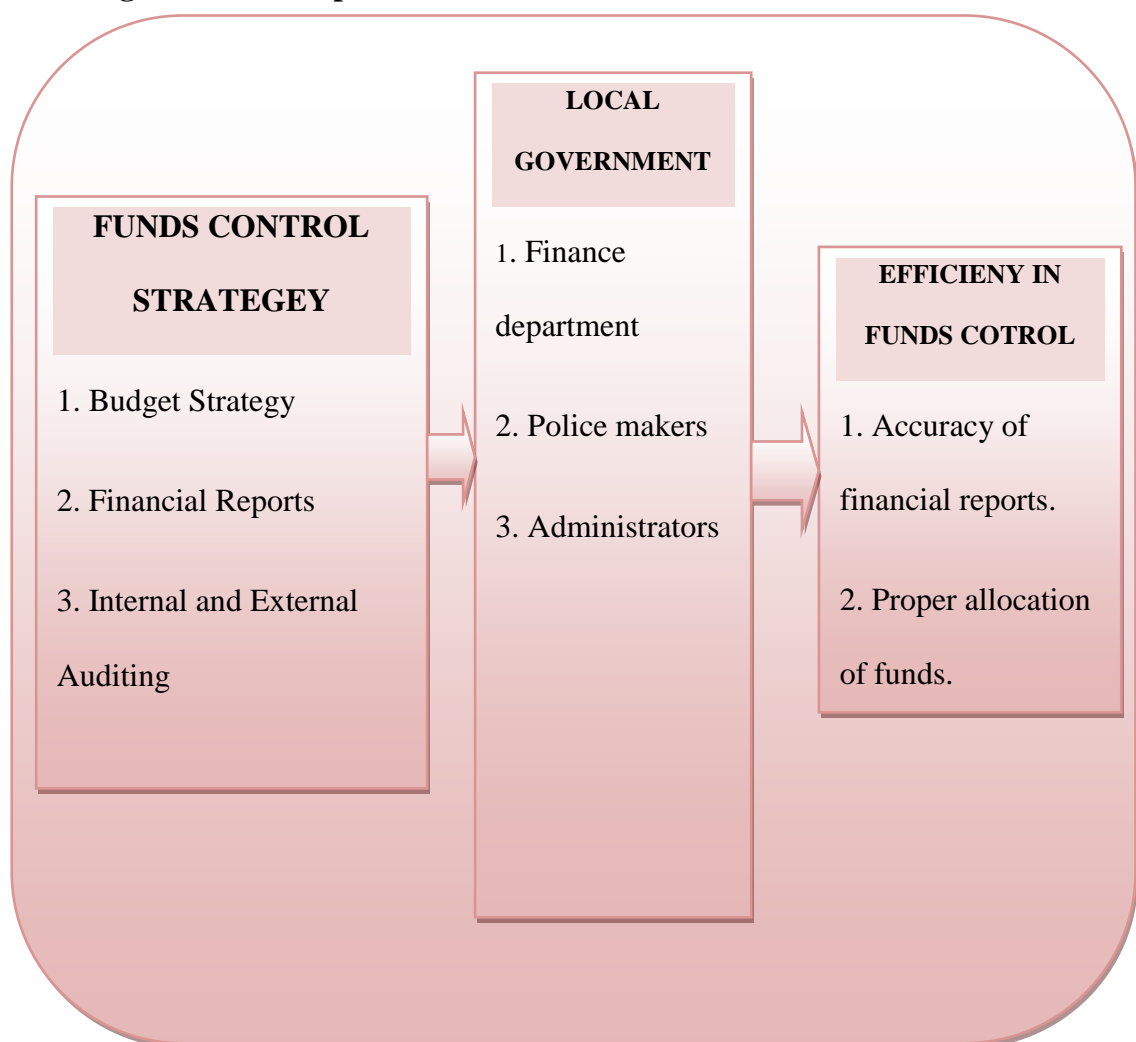
2.4 Knowledge Gaps

As seen from the above mentioned studies, many Researchers are showing their interest in conducting studies on funds control strategy. Some Researchers are assessing funds control strategy in water projects (Omary, 2004), others in the problem which hinder the smoothness of funds control system (Mutharia, 2001). No Researcher made a study on efficiency of Funds control strategy in Tanzania Local Government, Consequently, the researcher of this study aims at assessing efficiency of funds control strategy in Tanzania local Government so as to identify to what extend do the Local Governments are efficient in funds control and how can they improve their performance in funds control.

2.5 Conceptual Framework

This component is rather determined attempts to familiarize the reader with theories, paradigms, frameworks and approaches in the field of Funds Control Strategies. There is a need for better attention to theoretical issues in this field. "Theory helps us to bear our ignorance of facts". The study is linked into two theories of Efficiency and Funds Control.

Figure 2.1: Conceptual Framework



Source: Researcher Own Construct, 2015

2.6 Chapter Summary

The chapter has presented the literature review based on the key concepts of this study which are budget periodic financial reporting and cost control. It has also presented some selected empirical studies on funds control strategies. The results show contradictory findings some show a positive correlation between funds and control strategies others were negative. The following chapter deals with research methodology on this subject.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

According to Ojo, (2003) a research required methodology to ask question and to collect data in order for research to be success. This chapter described the methods applied in carrying out the research study. It was organized under the following chapters the research design, area of study, the population, sampling techniques, research instruments, data collection and data analysis.

3.1 Area of Study

It was very important for a researcher at the planning stage to clearly specify the area of the study and define the area to be researched (Cohen *et al.*, 2000). The study was conducted in Kondoa District in Dodoma. The reasons for conducting this study in Kondoa was because it is located in the capital city of Tanzania and researcher pursue her study at University of Dodoma hence easy to access data concerning funds control strategies. That being the case there was stiff and various challenges in collecting and disbursing of collected funds s. The selection of Kondoa was also purposively following financial and time constraints on the side of the researcher. Kondoa District was selected purposively based on the indications of hardship and challenges in funds Control hence it was the point of interest of researcher to assess funds control strategies employed in the local authority.

Figure 3.1: Map of Dodoma Showing Study Location



Source: Kondo District Council Profile, 2015

3.2 Research Design

Research design in this study was considered as a plan of action for collecting data, organizing and analysing it with the objective of combining the relevance of research (Kothari, 2002). A descriptive design was adopted in this study preferably because it makes enough provision for accurate profile of persons, events, or situations (Saunders *et al.*, 2007).

The study used the case study design. It was a procedure of studying or collecting information within the organization. Under this design the study was flexible in using different tools of data collection. This design was useful because the study was based on a specific area for in-depth study of the problem.

3.3 Research Approach

The study employed mixed research approach in which quantitative and qualitative techniques applied in data collection and analysis (Saunders *et al.*, 2004). This was to make use of the compatibility of the quantitative and qualitative methods, rather than polarizing them, for complementary and triangulation purposes (Burns and Grove, 2012). Thus, the science-based “objectivity” of quantitative methods (Gall 2002) was complemented with the science-based quality of things (Dabbs, 1982:32).

3.4 Study Population

According to Barley, (1998) population was a group of individuals who had one or more common characteristic that were of interest to the researcher. It was a larger group of people from which the sample was taken. The population for this study will include LGA employees in Kondoa District included the management staff.

3.5 Sample Design

According to Babbie, (1992) the sample was a segment of population in which researcher was interested in gaining information and drawing conclusions. While selecting the sample size, researchers was advised to put into consideration three important aspects namely the availability of population, methods of sampling was used and financial resources available for facilitation of the specific study (Creswell, 2008). The sample of this study was constituted a total number of 56 employees from different departments of Kondoa District. These include employees from the following department of, Finance, Trade, salary, planning and internal audit.

The sample size was desired because it was a true representative of the finite population of Kondoa District employees. It was also convenient for a researcher to handle within short time and limited resources.

3.5.1 Simple Random Sampling

This is a sampling technique whereby respondents had an equal chance of being selected (Cohen *et al.*, 2005). Simple random sampling was employed in selecting the respondents from different departments and units. Thus the list of employees from each department was taken and sequence numbers from a random numbers table was used to select the respondents.

3.5.2 Purposive Sampling

In this sampling procedure, item or respondents for the sample were selected deliberately by the researcher depending on the data she or he intended to collect from them (Hogg and Tanis, 1997). Purposive sampling was used in selecting the departments. This aims at helping the researcher to select departments that were convenient to the conduct of the study in terms of time and to make the study easier. Thus the list of all departments was provided and the researcher chose the one which were convenient for the study.

3.6 Sample Size

The study employed sample size of 65 respondents who included (34) members from finance department, (4) members from business department, (8) members from Internal Auditor department, (8) members from planning department and (2) members from salary department.

The sample size of 65 was also found appropriate because according to Hogg and Tanis (1977) a sample size of 25 to 30 is enough for analysis and reporting purposes. However, this study amplified the sample size to 65 in order to increase accuracy of the findings (Saunders *et al.*, (2000).

Table 3.1: Summary of the Sample Composition

Departments	Total
Finance	34
Business	4
Internal audit	8
Planning	8
Salary	2
Total	56

Source: Field Data Survey, 2015

3.7 Types and Sources of Data

The researcher used both primary and secondary data. In primary data the method of data collection employed was structured interview that means there were predetermined questions and planned way of recording. Questionnaire method also employed this was due to the nature of work of some of the employees which might not give them time for interview. Secondary data collection basically based on Kondo District reports, profile and journals and different publications and internet sources that provided information to support the primary source of data in this study.

3.8 Data Collection Methods and Instruments

According to Denscombe, (1998) using more than one specific method enabled the researcher to cross-validate information and data collected from a variety of sources.

Due to nature of this study, the researcher was used the triangulation approach that implied multiple data gathering sources. Thus a combination of documentary review, interviews, questionnaires and observation was used.

3.8.1 Documentary Review

This involves the study of existing documents about the area of the study. The documents were valued in providing more insights into the programme being studied by cross validating and augmenting evidence obtained from other sources (Yin, 1994). The documents that were reviewed in this study include annual performance report, strategic plan, Human resources report, schemes of services and Human resources policies in KDC and Local Government report.

3.8.2 Interviews

Referred to data collection technique that involved oral questioning of respondents it was either individually or in group. This method was used especially to ordinary employees who might not easily understand some of the terms and hence need some elaboration.

3.8.3 Questionnaire

This was a research instrument that gathers data over a large sample. The rationale of using questionnaire in this study was not farfetched; in fact the working nature of some of municipality staffs might not allow them to strike an appointment for interview. In addition the questionnaires method was preferred for the purpose of maintaining confidentiality and reduces interviews bias.

3.8.4 Observation

Observation was a data collection technique that involves systematically selecting watching and documenting behaviour and characteristics of living beings, objectives or phenomena (Olatunde, 1994). In this study observation was used in looking the physical working environment as well as observing the way employees were responding to the customers.

3.9 Data Analysis

Kothari, (2004) contended that data analysis was a systematic process involved working with data ,organizing them and dividing them into small manageable parts .hence ,data analysis was a general way that involve a number of close related operation which were performed with the suppose of summarizing the collected data and organizing them in such a way that they answer research questions or the computation of certain indices or measures along with searching for pattern of relationship that exist among the groups.

Data analysis can be categorized into qualitative analysis and quantitative data analysis techniques. This study employed both qualitative and quantitative analysis techniques Qualitative data were analysed through the application of pattern matching, strong explanation building and comparison n of data and information as recommended by (Yin, 1994) as well miles and (Gray, 2005).On the other side, qualitative data were analyzed using application of tables, frequencies and percentages. In employing qualitative analysis technique mention above was used, excel spread sheet statistical package for social science (SPSS Version 21) were highly utilized.

3.10 Reliability and Validity

3.10.1 Reliability

Reliability of measure refer to consistency with which repeated measures produce the same the result across time and across observed(Walsh,1990) reliability of this study were improved by employing triangulation of method in evidence collection as suggested by Kirk and Miller, (1986) the techniques employed were questionnaire, documentation and interviews. This enable the researcher to picture how multiple, measure were used to collect data and they were simultaneously true.

3.10.2 Validity

Validity refers to the extent to which the concept one wish to measure and was actually being measured by a particular scale or index (Sir Kin,1995).According to Saunders *et al.*, (2007) validity was an aspect which was concerned with whether the findings were really about what they appear about. It was a measure of how well a test measures what was supposed to measure. For the purpose of ensuring validity of data collection instrument in this study a pilot study to 10 respondents was conducted one from each department in DCM. The respondents' comments and observation was used to modify the questionnaire before the actual data collection.

3.11 Ethical Consideration

A researcher clearance letter was obtained from the Vice Chancellor of the University of Dodoma which will introduce the researcher to the Kondoa District Administrative secretary, who then issued an introduction to the district director of Kondoa.

3.12 Chapter Summary

This chapter has conversed on the research methodology which was used in this study. The study was going to use the triangulation method because it I will use survey, interview and focused group discussion instruments of data collection. The types of data to be collected were both qualitative as well as quantitative data. The area of study and the study location of the study have been well undertaken in this chapter. The chapter has winded up with the issues related to validity and reliability as well as researh ethics.

CHAPTER FOUR

RESEARCH FINDINGS, DATA ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter intends to bring the presentation; analysis and discussion of the findings, resulted from the research on, “impact of funds control strategy on effectiveness of funds control in Tanzania local government authority”. The aim of researcher in this study was to assess efficiency of funds control in Tanzania local government authority. Under this general objective the researcher aimed at identifying strategies used to control funds in Kondoa local government authorities. The researcher also aimed at to assess the challenges faced by Kondoa local government authorities in applying the funds control strategies. At last identifying the measures has been taken to improve funds control strategies. The researcher presented the findings in tables and figures.

4.1 The General Profile of the Respondents

This chapter aims at discussing the respondents’ profile to enable the researcher establish the extent of judgment one might have in the area of the study. Among the researched respondents’ characteristic include sex, age and education level. Despite the need by the researcher to concentrate on the objective of the study, was also interested to know the general profile of his respondents in terms of age,

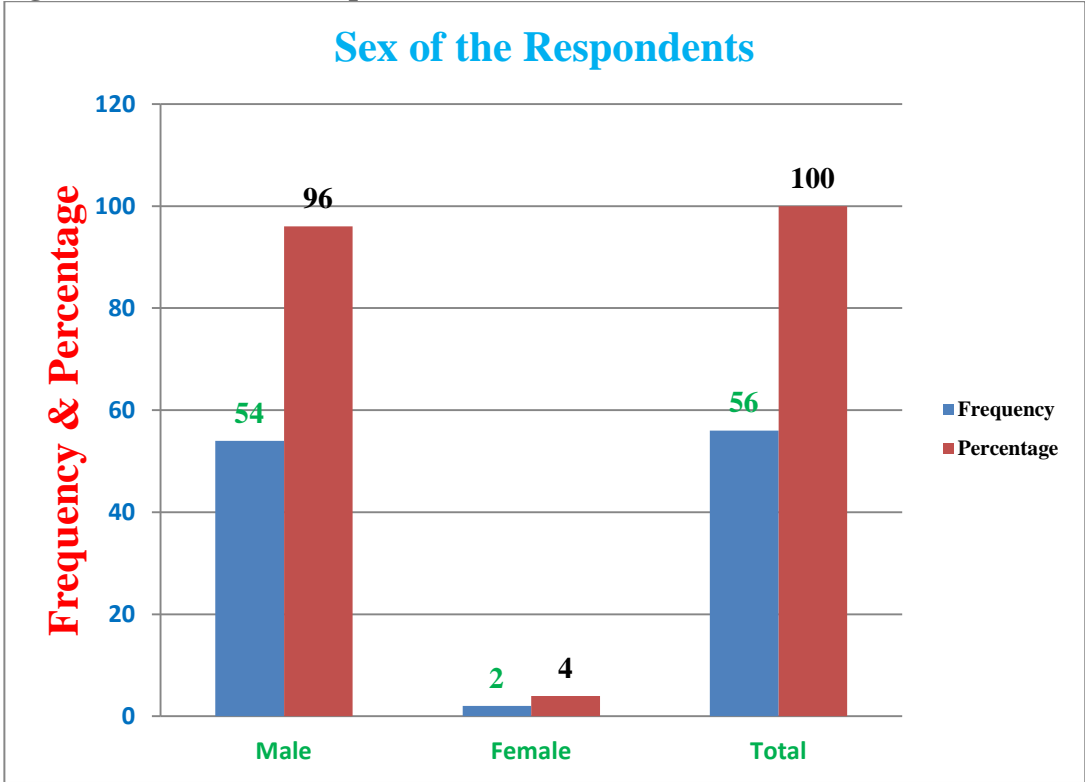
4.1.1 Respondents’ Sex

The results in figure 4.1 authenticate that 54 (96%) of the respondents involved in the study are male while 2(4%) respondent was a female employees.

The findings show that, majority of the employees in local government are males and therefore there is likelihood that, the findings are gender insensitive. Although the study is not about gender equality but the variation in the number of employees could result to some biases.

But also, the findings imply that, males are responsible in decision making in most of the cases related to funds collection strategies. According to Balde (2012) Women only receive or follow orders from their spouses; this has been the culture among African societies for decades. It is also manifested in the working places especially in offices where numbers of males outweigh the number of females or when number of women is overwhelmed by the number of males.

Figure 4.1: Sex of the Respondents



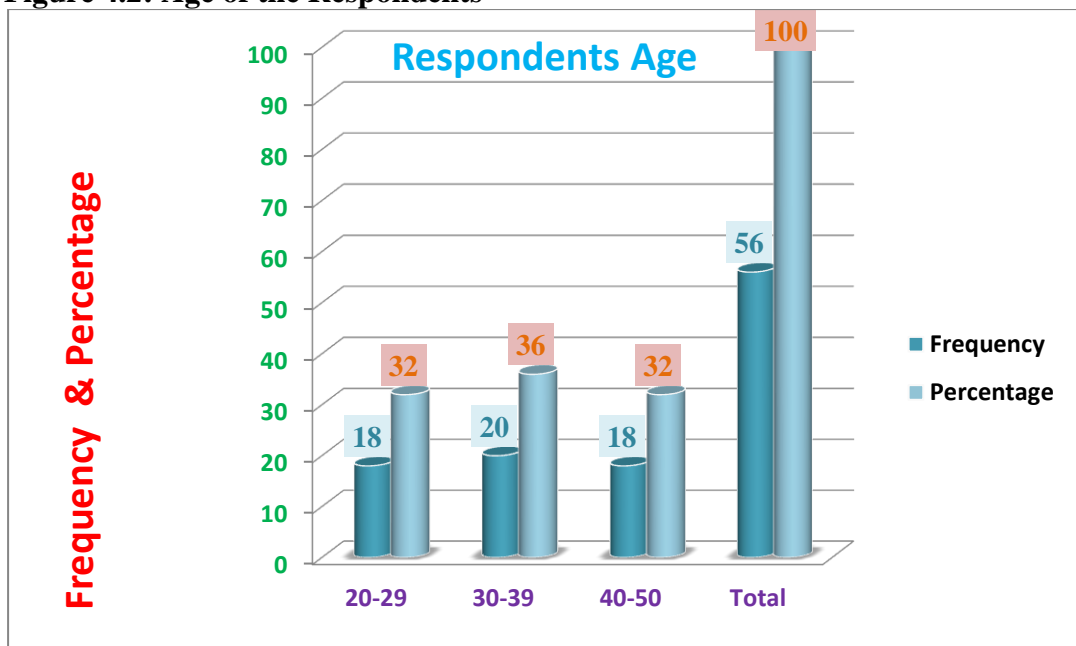
Source: Field Data Survey, 2015

4.1.2 Age of the Respondents

Age of the respondent is also very important as far as the issue of controlling strategy is concern. figure 4.2 authenticate that, majority of the respondent involved in the study aged between 30-39 as this formed 20 (36%) of the total employees involved in the study. On the other hand, 18 (32%) of the employees involved in the study aged between 20-29 years old and lastly 18 (32%) were between 40-50 years of age.

The findings show that, the local government has hired young and fresh minded employees whom are at their effective working age. The age grouped indicated above also connotes that, majority of employees are likely to be older and experienced one The age factor gave a researcher some clue on the nature of the strategies employed in controlling funds s. However the issue of age was not the major focus of the study.

Figure 4.2: Age of the Respondents



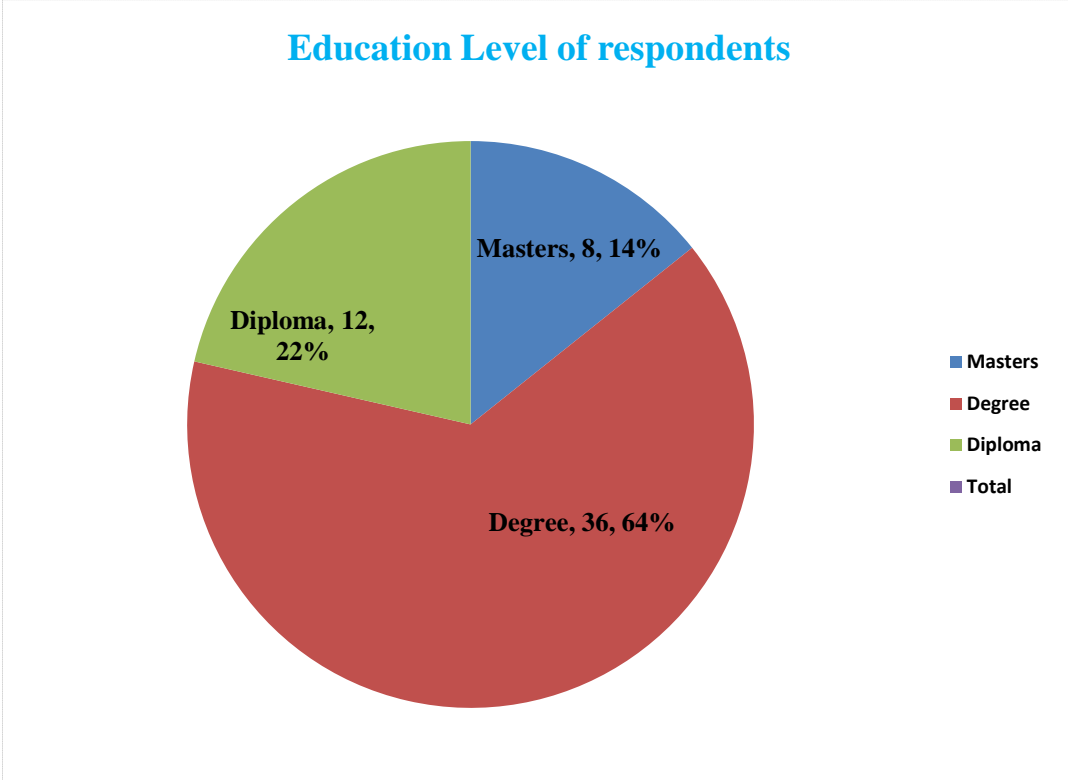
Source: Field Data Survey, 2015

4.1.3 Respondents' Education Level

Level of education is an important attribute when it comes to decision making in both public and private organization. However it is even more important in deciding matters patterning to funds s and funds control. The findings in figure 4.3 shows that, 36 (64%) of the respondents had attained degree level education, 8(14%) were holders of Master degree and above, 12(22%) were diploma holders.

This entails that a good number of respondents involved in this study are well educated and hence knowledgeable on most of the concepts which were asked.

Figure 4.3: Education Level



Source: Field Data Survey, 2015

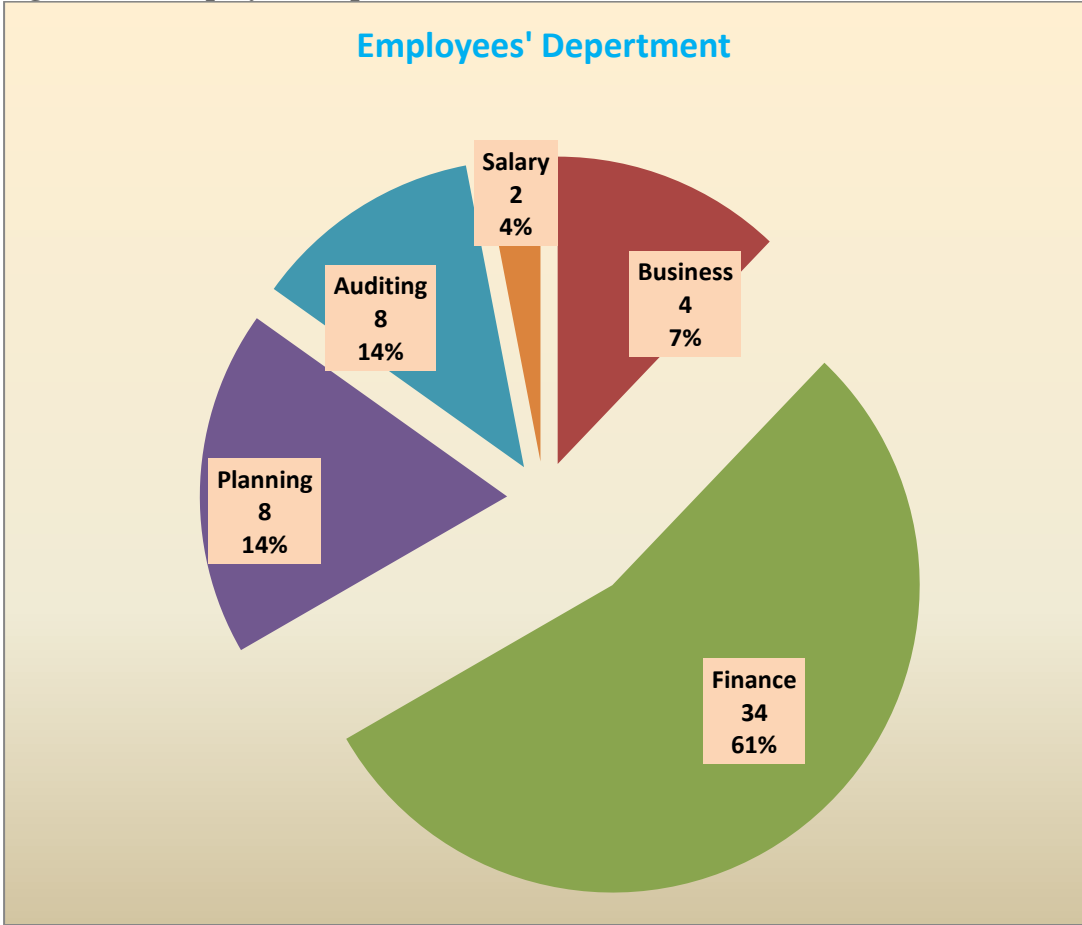
4.1.4 Employees Departments

The researcher perceived it right to conduct a study on department involved in the study, this would show the involvement of all the key representative characteristics.

From figure 4.4 the study showed that, 34(61%) of the employees were from Finance department, 8(14%) were from planning department and 8(14%) employees are from Auditing. On the other hand 4(7%) of the total employees involved in the study were from business and lastly 2(4%) were from Salary department.

The findings above imply that, the study was involving, whereby all departments were involved, however majority of the employees were from finance department. This was due to the nature of the study which had wished to find out the efficiency of control strategy in local government authority. The involvement of one particular department is in fact influenced by the nature of the study (Adeyamo, 2005).

Figure 4.4: Employees Department



Source: Field Data Survey, 2015

4.2 Strategies Used to Control Funds in Kondoa LGA

Under specific objective number one which states that “to identify strategies used to control funds in Kondoa local government authorities” the study revealed the following:-

4.2.1 Source of Funds within the Council

The study considered that it is right to find out exactly the source of funds which employed by Kondoa Local Government authority prior to the identification of the strategies used in controlling the funds from these sources.

Figure 4.5 shows that, 21(37%) of the total employees argued that, the local government get funds from a number of sources such as Fees such as tax registration, bus stands, forest products, valuation, licensing including roads, liquor, rents, charges (Own sources).

On the other hand 15(20%) employees said the funds were being obtained from the central government while 11(16%) said the sources of funds are non-other rather than grants from donors and supporters outside the local government authority. Lastly but not least, 19(27%) employees said the main source of funds for the Kondoa Local Government are also a combination of more than one source namely, Government, grants, Internal own source, Market levy, Business License, House Property Tax.

The findings above signify that, central government is still playing some necessary roles in supporting the local government.

But also in the same manner, it is argued that, the sources of funds in the local government are not sufficient enough to have a financial dependency.

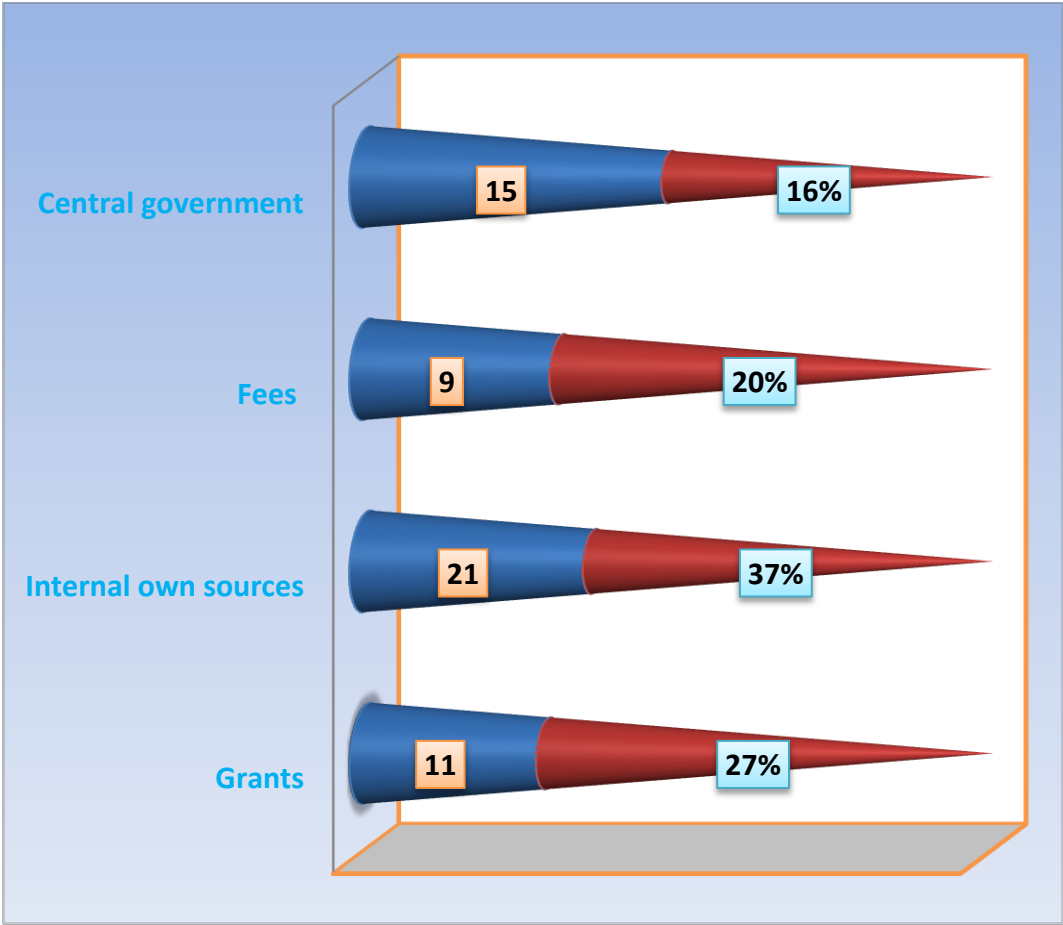
Also the results shows that, regardless of the numbers of the sources employed by the local government in securing funds , still the sources are feeble and offers very small amount of funds to suffice the demands of local government. This is one among the reasons why the central government is coming in.

The findings are supported by Arens, (1997) who argued that, in most of developing countries, the central government have not been acting as the head of the governments but instead it plays necessary role to rescue the weaknesses' of the local government.

The results are also in line with the study of Drury, (2000) who postulate that one source of funds for the public sector was money made available by public sectors; that was by the government. In taking of this role the government was acting as financial intermediary.

Government through taxation can take funds from household sector that saves the most and channel this into approved business investment, or alternatively they can themselves borrow in the capital and money markets and make these the normal private market mechanism for the allocation of savings.

Figure 4.5 Council’s Source of Funds



Source: Field Data Survey, 2015

4.2.2 Strategies of Funds Collection

The findings in figure 4.6 show that majority of the respondents that is 18(32%) argued that, budgeting, action plan, monitoring and supervisions are the strategies used to control funds s. This implies that, the local government is still holding into formal and old fashioned way of controlling the funds s.

4.2.2.1 Budgeting and Action Plan

The above identified strategies also show that, they are the common and the easiest and effective methods of controlling funds s comparing to other methods.

These strategies involves more than one technique in them, it allows the money to pass through a channel whereby each individual would be hold accountable in case of any loss or malfunctions observed.

Regardes the opinions above Charles (1999) considers Budgeting as a management tool used for shorter term planning and control. Traditionally, budgets have been employed as devices to limit expenditure, but as much more useful and constructive view was to treat the budgeting process as a means for obtaining the most effective and profitable use of the economy's resources via planning and control.

However, regardless of being an effective method, still the techniques appeared not to be effective to all the employees as other employees considered other method as the best than supervision and budgeting. Fjeldstad (2000) is in support of the above argument, according to him, the each employee in the work organisation would prefer using a funds control strategy that he or she consider it accurate. However, this has been reported to have some drawbacks and it is not advisable especialy in the public institutions.

4.2.2.2 Audit both Internal and External

On the other hand, 10(18%) of the total employees perceived the use of both internal and external audit as the good funds controlling strategies. The finding indicates that, there are rooms for malfunction within the local government and this is why some of the employees prefer the use of both internal audit and external audit.

The purpose of using two auditing categories was for intensifying the whole process of controlling funds and ensures good control.

Fjeldstad (2000) is in support of the above argument, according to him the use of both internal and external aims for nothing other than intensification of all controlling process. It is very effective in public organisation where there is a long chain of procedure. It also associated with the reduction of likelihood of occurring for corruption within the organisation.

4.2.2.3 Control Ledger and Vote Book

In addition to that, 10(18%) employees argued the local government authority is using control ledger and vote book. Like other three identified controlling strategies, control ledger and vote book is preferred for the accuracy and record keeping.

The study results show that, the local governments have a number of controlling funds s enough to ensure the effectiveness of the whole process. But also it appears in the researcher's mind that, the number of the controlling strategy matches the existing problem or challenges.

4.2.2.4 Hand outs and Education to People

Similarly to the above findings, 6 (10%) of the respondents argued that, the local government sometimes consider the use of handouts that inform and educate the people on how to pay their taxes on time. The study implies that, Kondo District does not only control the funds that is within themselves, instead it goes beyond and communicate with on the importance of paying taxes and how the tax is being controlled within the system for the benefit of all.

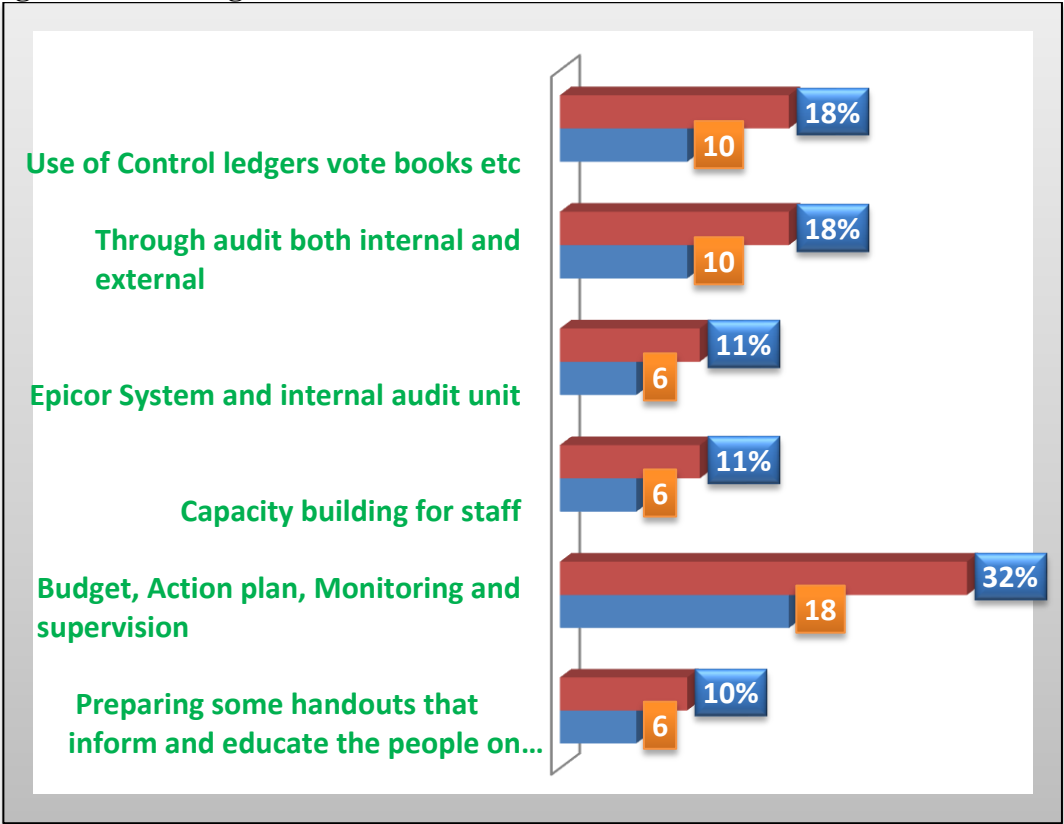
The finding also shows that, the local governments experience some resistance to people such that, education and information is necessary to help rescuing the

situation. It also signifies that, still there are a lot of money that is left out especially from the people who have not acquired the education offered by the government.

4.2.2.5 Capacity Building for Staff

Also 6(11%) respondents involved in the study argued that Kondo District uses capacity building for staff as the way of controlling funds. This shows that, the local government has the tendency of empowering its employees so that, they turn out to be efficient and effective. However considering the number of employees who argued for this point, it can be concluded therefore that, the capacity building is being done for the few employees and more particularly those in the audit department. These results are summarized in the figure 4.6.

Figure 4.6: Strategies of Funds Control



Source: Field Data Survey, 2015

4.3 Challenges Faced by Dodoma LGA in Applying the Funds Control Strategies

4.3.1 Insufficient Budget

One among the challenges identified in the Kondoa District is the issue of insufficient budget. Insufficient budget seem to be one of the serious problem which hinders the smooth funds collection. This is evidenced by 26(47%) respondents who argued said; Kondoa District Local government is lacking enough budgets. The budget set is in small amount which does not allow them to implement the strategy in place.

The data above shows that, the local government has all the necessary plans set for tax collection and controlling of funds s. Also it shows that, local government still does not collect enough tax from the citizen to implement their own plans. Above all, it is evident clear the local government is losing much money simply because the money is out of their reach. See Figure 4.7.

The study of Cole (2001) links with our study, according to him, most of the developing countries would not have to be dependent to first world countries. Their dependence is situational and predetermined; weakness shown in failure of collecting tax from its citizens determines its economic status quo.

4.3.2 Few Staff

Basing on this analysis, 18(32%) of the employees involved in the study also argued that, few staffs within the local government was another problems hindering the implementation of funds collection strategy. See figure 4.7.

The findings above signify that, local government does not qualified recruits to solve their problems. “Few staff” would be mockery to hear, since in a country like Tanzania where majority of University graduates are looking for jobs, how come the local government lack staff? The answer to this question could be the kind of staff needed for auditing and other for financial services. It may also imply that, the country has a gap of professionals in some areas of professionalism, as such the number of students who graduates should not be considered as overwhelming. George (2000) is of the view that, the number of employees in an organization is not a guarantee, that all departments works properly or has all it is supposed to have to function at its fullest. Outsourcing and training should be considered whenever the need arise.

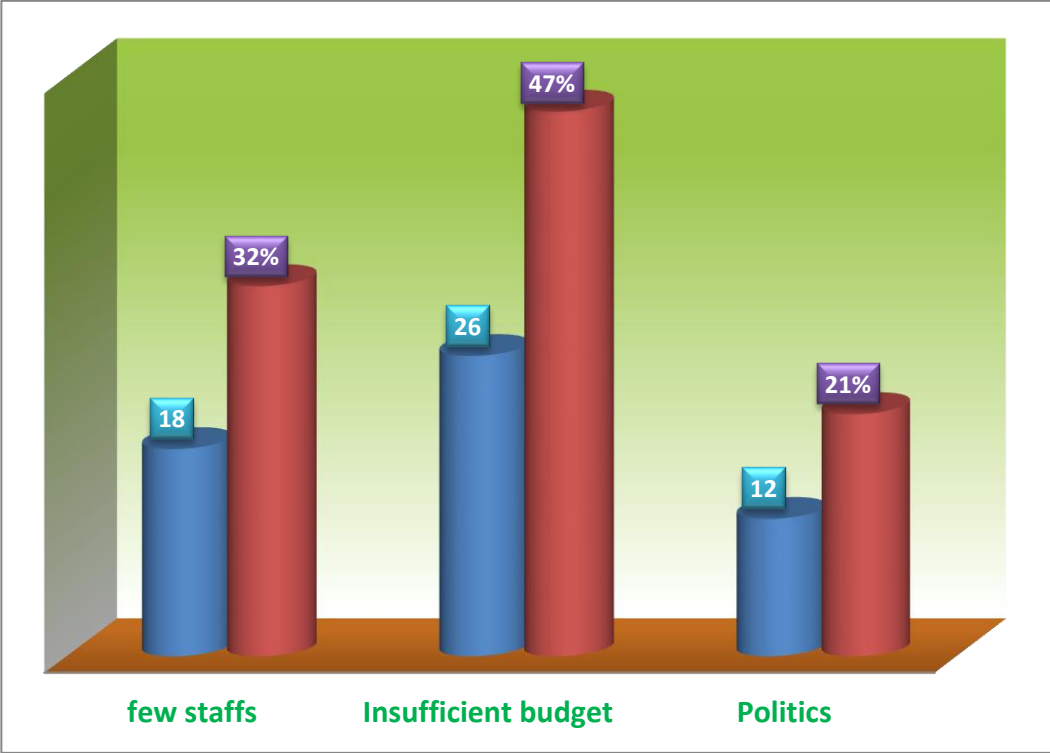
4.3.3 Politics

Likewise on the side of the politics, 12(21%) of the total employees involved in the study argued that, alongside insufficient budget and lack of qualified personnel politics also is a challenge as shown figure 4.7. Politics have some influence to the conduct of the government and its organs. However it is even more manipulative especially when the local government is not in its full autonomy and mandate of its actions and jurisdictions.

The result above indicates that, Kondoa District just like any other local government in the country is also influenced by the politics of the country. The distribution of the national cake depends entirely on the power of the politicians. A study such as study by Hicks (2001) and Chandan (1997) all together shows that, local government decisions are very susceptible and provisioned to change especially whenever politics interferes.

According to Hick (2001) in Africa, funds collection and its usage, is sometimes decided by the MP's and ministers instead of helping the growth of one particular region as shown in the figure 4.8.

Figure 4.7: Challenges of the Strategy Used



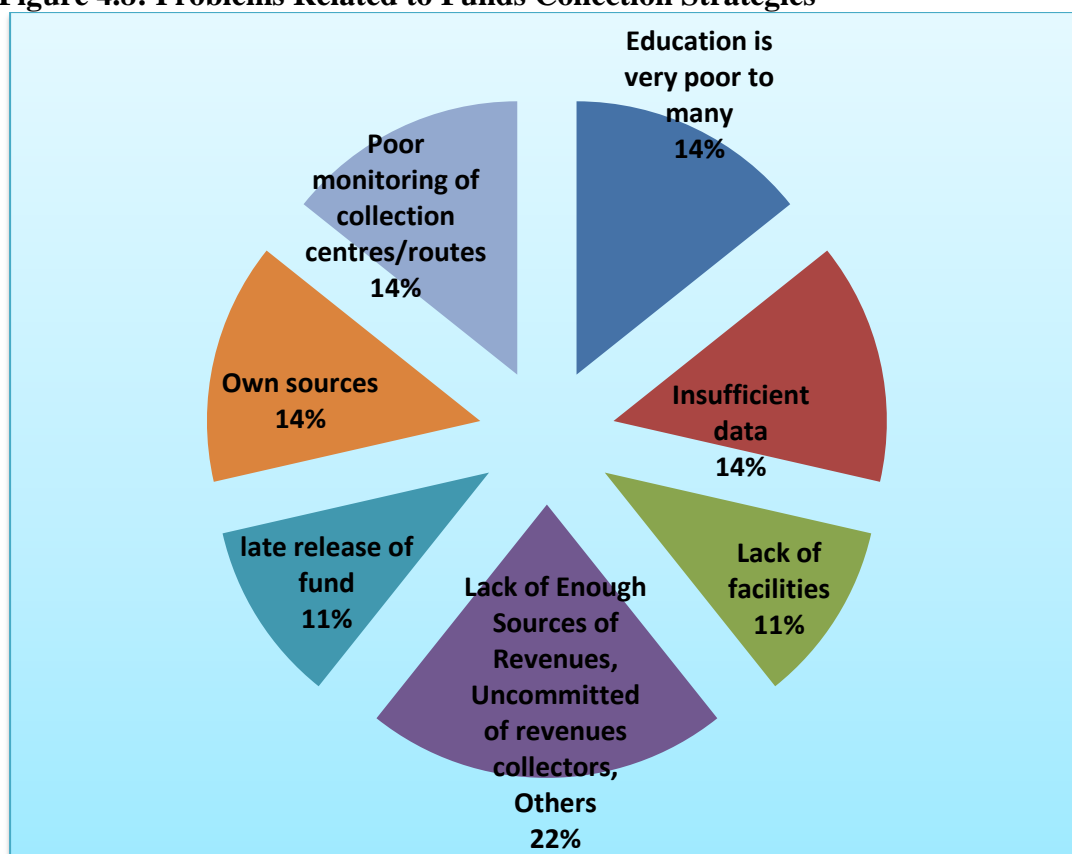
Source: Field Data Survey, 2015

4.3.4 Problems Related to Funds Collection Strategies

Figure 4.8 shows that, there are many problems associated with the funds controlling strategies. 8(14%) of the total respondents said that, Insufficient data, has been a problem hindering the collection of funds s, 6(11%) said lack of facilities was the serious problem. On the other hand 8(14%) of the total respondents said poor monitoring of collection centers, 12(22%) employees argued that, Lack of Enough Sources of Revenues, Uncommitted of revenues collectors were the problems, 8(14%) employees identified the problem of education amongst tax collectors and customers (citizens) was also a problem.

Lastly 6(11%) employees out of the total employees argued that, sometimes the government delays to send the funds s for the excursion of the strategies. The findings above imply that, there are number of the problems facing the implementation of collection strategies. Regardless of the different problems, all together amount to same thing, delays and failures of the collection of funds s.

Figure 4.8: Problems Related to Funds Collection Strategies



Source: Field Data Survey, 2015

4.4 Impact of the Funds Collection Strategy

The section indicates that the relationship that exists between funds collecting strategies and effectiveness of the funds controlling strategies in local government authority.

4.4.1 Budget Fulfillment

The findings shows that 10(18%) of the total employees consider that, when effective funds control strategy has to some extent helped in budget fulfillment. This means that, before the implementation of the funds control strategies, the local governments have been running their budget in deficit. Borrowing, grants and other donor supports were their means of fulfilling their end moth budget.

This argument correlates with the findings of the Adeyamo (2000) of South Africa, who concluded that, the effective funds strategy is likely going to improve the collection of tax from the people. The effective strategy also reveals the gap that has been left in collection of taxes among people, since auditor can see the variation between the old time collection and the current collection.

4.4.2 Ensure the Funds Reach the Local People

Also 14 (14%) employees out of the total employees involved in the study argued that effective collection strategies ensure the funds reach the local people. This is very true, because within effective strategy, knowledge is communicated to customers on the why, how and where their money is being sent to. Therefore accountability and check is increased.

The study above signifies that, if effective funds collection strategies are not being put into place, there would still be low level of development. Above all the community would still continue being dependent (Arens, 1997) is of the view that if funds collection is well managed and practiced, the communities would have realized the fruits of their contribution to their countries and deep inside will gain the spirit of contributing even more willingly.

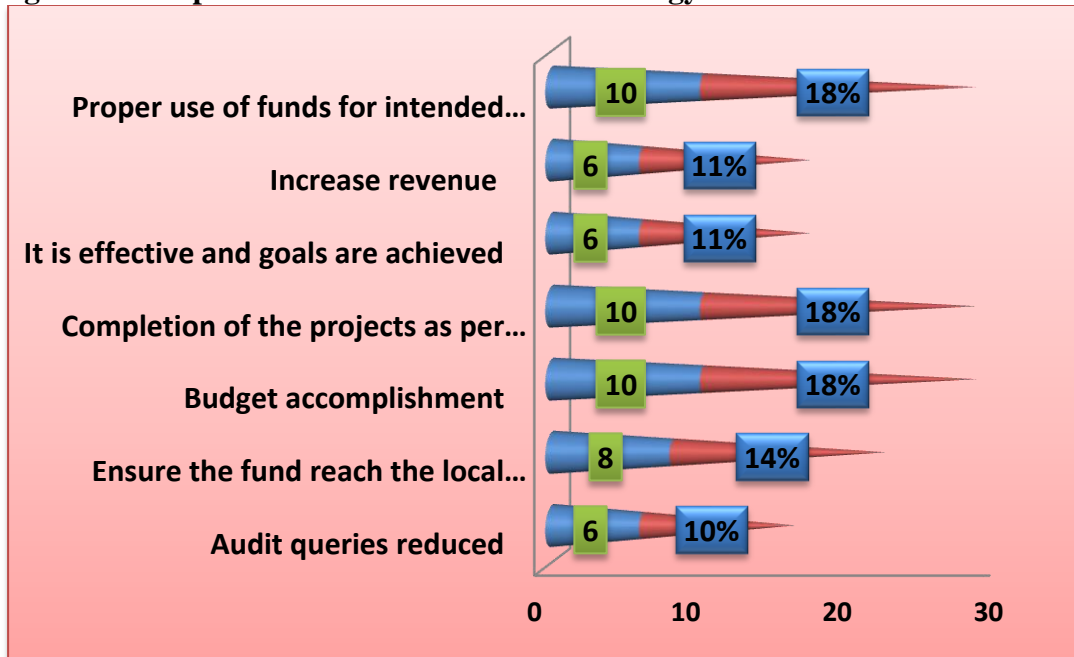
4.4.3 Ensure Proper Use of Funds s

On the other hand another 10(18%) employees said that, the effective funds collection strategy would ensure proper use of funds s for intended purposes. These findings imply that, the funds collected were and is somehow misallocated and misdirected. The projects which are supposed to be accomplished from certain amount of money would be redirected to other channels. 3(11.5%) employees said that, support the above argument by saying that, effective funds strategy is associated with effectiveness and goals are achieving. The results indicate that, if the taxes are collected massively and people after being educated are willing to consider the second thought of not ignoring the tax payment. Therefore the end result would be increase in the price of its goods.

4.4.4 Increase in Revenues

Concerning, the increase in Revenues, 6(11%) employees argued that, the funds collection strategy increases revenue but also 6(10%) said it would decrease the Auditing quarries. When there is a scramble for a little cake it is obvious that there would be constant malpractice which in the end it is upon the Auditors to deal with all the quarries. Linking the above findings Karly, (2004)'s study findings shows that, Auditors would have been playing minimal roles in their auditing activities provided people wholeheartedly plays their part.

Figure 4.9: Impact of the Funds Collection Strategy



Source: Field Data Survey, 2015

4.5 Determinant of Effective Funds Control Strategy

Out of the 56 employees involved in the study, 20 (36%) of the employees showed said that, one among the determinant of the effective funds control strategy includes the use of practice of financial regulations and procedures.

4.5.1 Use Practice of Financial Regulations and Procedures

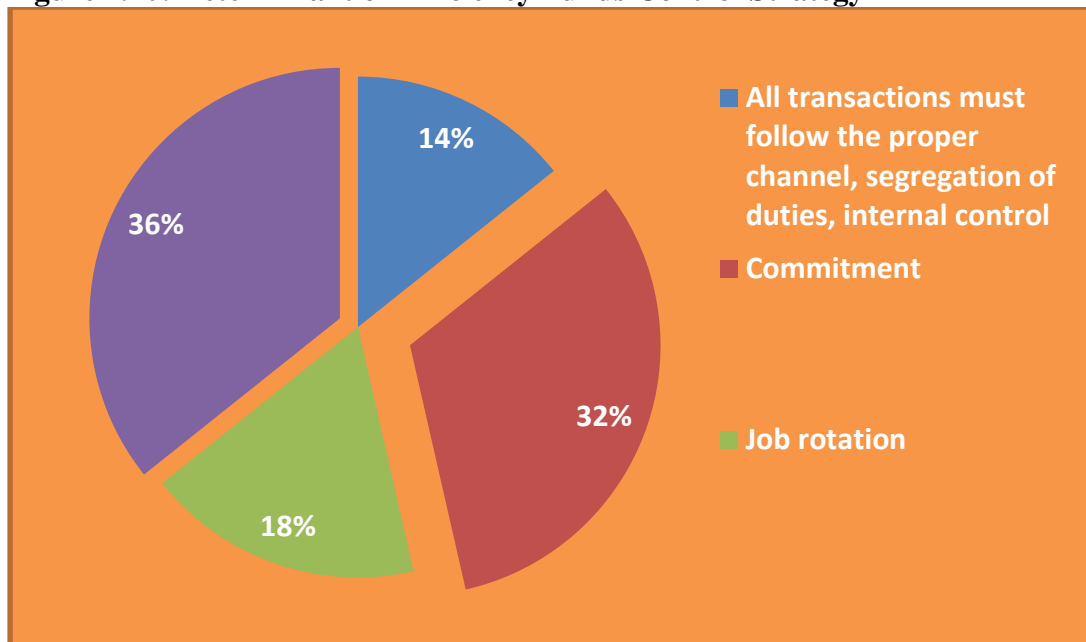
The findings imply that, in the presence of the good funds control strategy, the auditors, tax collectors all together will be working to achieve one goal. There will be no working on experience basis. All the employees would be guided under the agreed and acceptable rules and guidance. This would help achieving organization goals at once, but above all it would ease the check and balance practices. Millichamp (1996) support the above findings by agreeing that, in effective and agreeable funds control strategy, there is no room for much knows and jack of all planes.

4.5.2 Commitment

Also on the other hand, 18(32%) employees involved in the study were of the opinion that, commitment is a good indicator of the effective funds control strategy. Local government should ensure that, it comes up with a strategy that would ensure all people are committed in their respective areas of working. Likewise 10(18%) respondents said that the effective funds control strategy must make sure there is job rotation. The purpose here is to remove monotonous and room for working under usual experience.

The findings signify that, employees should not be working in the same areas for many years or very long. Working too long in the same department creates some sense of tyrant and lordship. But in an effective funds control strategy, employees should be rotated, lest they get used to one area and start utilizing the entire environment related to corruptions.

Figure 4.10: Determinant of Efficiency Funds Control Strategy



Source: Field Data Survey, 2015

4.6 Measures Taken in Improving Funds s Control Strategies

The findings in figure 4.11 shows that, there are measures taken in improving funds s control strategies, each strategy has its own effectiveness. However, out of the 56 respondents involved in the study 10 (18%) of all employees said that, Audit committee is the most effective measure to ensure there is effective funds collection strategy.

The findings imply that, the committee would be responsible at all disciplinary measures; it would also be responsible at holding into account misconduct. The committee is a watch dog among the auditors themselves and if well formulated then there would be no interest on one another whatsoever (Budget, 2004). Also 8(14%) employees argued that, strengthening the pre audit unit by placing proper regulations in all transactions would help in improving collecting strategies. The study results simply imply that there must be some auditing taking place prior to the main auditing which is being done once in a while.

The findings are supported by the study of Millichamp (1996) who is in favor of the argument above, according to him the pre auditing service has to be done by the pre audit unit. This helps at identifying the prospective errors that would have affected the whole auditing process. But also it helps in minimizing the number of questions and doubts and clear out the way for further auditing.

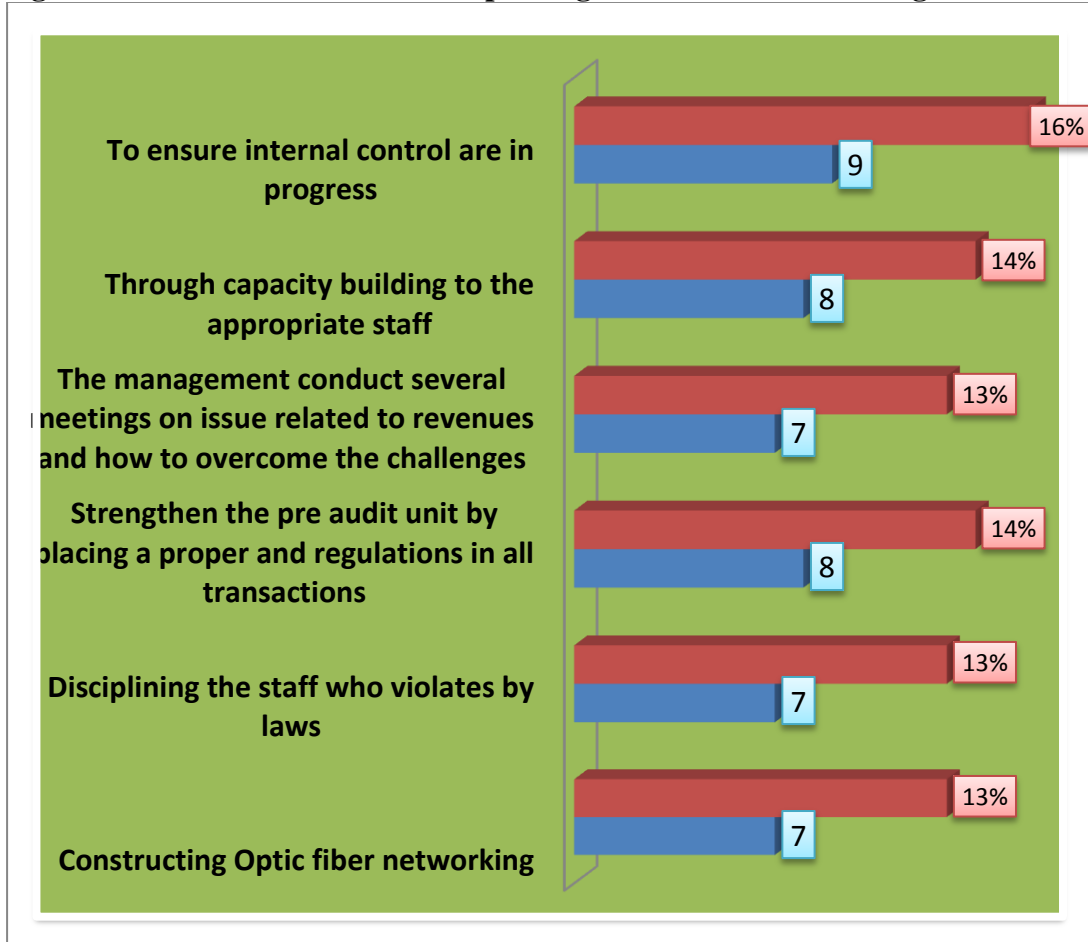
Capacity building in any organization is very important since it provide new technicalities to employees to be able to keep rate with the changing technology and science.

This is also similar to Local government of Dodoma as it was clearly see that, 8 (14%) employees were of view that capacity building to the appropriate staff act as a catalyst in improving funds collecting strategy.

Another 7 (13%) of the employees were of the view that, one among the effectives measure is that, the management should conduct several meetings on issue related to revenues and how to overcome the challenges. This means that, local government authority lack meetings which focuses on the challenges facing them.

Similarly, 7(13%) employees also argued that disciplining the staff who violates by laws would ensure there is effective funds collection strategy. The results show that, employees are aware of the fact that, in any organization there is individual difference among employees. The differences in culture and working experience might amount to some interpersonal conflict. The conflict within organization may as well amount to institution performance failure. Presence of discipline committee plays a very important role in organization although its role may be passive (Serrano, 2010).

Figure 4.11: Measures Taken in Improving Funds s Control Strategies



Source: Field Data Survey, 2015

4.7 Chapter Summary

Convincingly the chapter has discussed the assessment of data and arrangement of the investigation findings. It install with demographic outline of the study inhabitants pursued by the study of objectives of the study, at the same time as the subsequent chapter (Chapter Five) shows the summing up, wrapping up and suggestions for the further area concerning the same discernible fact.

CHAPTER FIVE

STUDY SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The previous chapter dealt with the presentation of the findings and analysis of the data obtained from the field and the implication of the research findings. This chapter presents the summary of the major conclusions derived from the study, recommendations, limitations of the study and suggesting the areas for further studies.

5.1 Conclusion

The main objective of the study was to assess impact of funds control strategy on effectiveness of funds control in Tanzania local government authority. The study was guided by three specific objectives namely, to identify strategies used to control funds s in Dodoma local government authorities, to assess the challenges faced by Dodoma local government authorities in applying the funds control strategies, and to identify the measures taken in improving funds s control strategies.

The findings showed that there are a good number of funds controlling strategies applied in the local government along each other. Preparing some handouts that inform and educate the people on how to pay their taxes, on time, Budget, Action plan, Monitoring and supervision, Capacity building for staff, EPCOR System and internal audit unit, through audit both internal and external and uses of Control ledgers vote books were among the few funds collecting strategy.

On the side of challenges the study showed that, there are number of challenges that were revealed against the effectiveness of the funds controlling strategy. Insufficient budget, few staff, Politics, Education is very poor to many, insufficient data, Lack of facilities, Lack of enough Sources of Revenues, uncommitted of revenues collectors, late release of funds s, own sources, poor monitoring of collection centers/routes were few among the many challenges identified. Audit Committee, Constructing Optic fiber networking, Disciplining the staff who violates by laws, Strengthen the pre audit unit by placing a proper and regulations in all transactions, the management conduct several meetings on issue related to revenues and how to overcome the challenges, through capacity building to the appropriate staff, to ensure internal control are in progress.

Generally it can be concluded that, despite the number of the strategies used by local government and despite the measures that, have been put in place, still the funds collection strategies are is not impressive. This suggests that a more collaborative effort should be done, one including the development and sustainability of sector.

5.2 Recommendations

In regard to the study findings, the following recommendations were put forward by the researcher. The government should consider establishing the strong Audit Committee which would be able to release the trend of the institutions. Strengthen the pre audit unit by placing a proper and regulations in all transactions.

The management conducts several meetings on issue related to revenues and how to overcome the challenges.

The management conducts several meetings on issue related to revenues and how to overcome the challenges, through capacity building to the appropriate staff.

5.3 Recommended Area of Further Studies

In general the findings of this study provided the real circumstances on the effectiveness of the funds controlling strategy. Insufficient budget, few staff, Politics, insufficient data, lack of facilities, lack of enough Sources of Revenues, uncommitted of revenues collectors, late release of funds`, own sources, poor monitoring of collection centers/routes were few among the many challenges identified. Consequently, a wider study could be done that, will cover not only the available data and the study that would focus on promoting good governance through social funds s and decentralization Social protection discussion.

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APPENDICES

Appendix 1: Research Questionnaire

Dear respondents, kindly I request you to spend some few minutes to respond to question on this Questionnaire. The aim of this study was to provide information on *“The Efficiency of Funds Control Strategy in Local Government Authority: A Case of Kondoa District.”* The findings will contribute helping the researcher in fulfillment of requirement of Master of Business Administration. Confidentiality was guaranteed to the information you were supplying and thus the researcher will not refer to you by name.

Part One A: Background Information of Respondents

Tick (✓) where appropriately

1. Sex;

i. Male

ii. Female

2. Age;

i. 20-29

ii. 30-39

iii. 40-50

3. Education level

i. Certificate

ii. Diploma

i. degree

iv. Masters and above

Part Two: What are the strategies used to control funds in Kondoia local government authorities

Tick (✓) where appropriately

1) In which department were you working?

.....

2) What were the sources of funds s in this council?

- a).....
- b).....
- c).....
- d).....
- e).....

3) What were problems related to funds collection strategies?

- a).....
- b).....
- c).....

4) What were strategies do you normally use to control funds?

- a).....
- b).....
- c).....

5) What was the impact of funds control strategy on the authority?

- a)
- b)
- c)

6) What were the strengths of the strategies employed?

- a).....
- b).....
- c).....

8) What were weaknesses of the strategies employed?

- a).....
- b).....
- c).....

Part Three: What are the challenges faced by Kondoa local government authorities in applying the funds control strategies

Tick (✓) where appropriately

9) What were challenges which face application of those strategies?

- a).....
- b).....
- c).....

10) Have you trained on how to overcome the problems related to funds control strategies application?

- a) Yes
- b) No

9) Do you normally prepare budget?

- a) Yes
- b) No

10) Do you have internal auditors?

- a) Yes
- b) No

If yes, what were their activities?

- i.
- ii.
- iii.

Part Four: What are the measures taken in improving funds control strategies?

Tick (✓) where appropriately

11) Do you think there was an effectiveness of these strategies in this Authority?

- a) Yes
- b) No

If yes what were they?

- i).....
- ii).....
- iii).....

12) Which measures have been taken to insure effectiveness of these strategies in this Authority?

- a).....
- b).....
- c).....
- d).....

13) Do you normally prepare financial reports?

- a) Yes
- b).No

If yes, which of the categories do your reports belong?

- a) Monthly
- b) Quarterly
- c) Semiannually

14) What are determinant key factors were considered to ensure effectiveness of funds control strategies?

- a).....
- b).....
- c).....
- d).....

15).In the past financial year have you attended any seminar on how to modify funds control strategies.

- a) Yes
- b) No

If Yes how

Appendix II: Interview Guide for Key Informants

1) In which department were you working?

.....

2) What were the sources of funds s in this council?

a).....

b).....

c).....

3) What were problems related to funds collection strategies?

a).....

b).....

c).....

4) What were strategies do you normally use to control funds?

a).....

b).....

c).....

5) What was the impact of funds control strategy on the authority?

a)

b)

c)

6) What were the strengths of the strategies employed?

a).....

b).....

c).....

7) What were weaknesses of the strategies employed?

a).....

b).....

c).....

8) What were challenges which face application of those strategies?

- a).....
- b).....
- c).....

9) Have you trained on how to overcome the problems related to funds control strategies application

10) Do you normally prepare budget?.....

11) Do you have internal auditors?.....

12) Do you think there was an effectiveness of these strategies in this Authority?

.....

13) Which measures have been taken to insure effectiveness of these strategies in this Authority?

- a).....
- b).....
- c).....
- d).....

13) Do you normally prepare financial reports?

.....

14) What were determinant key factors were considered to ensure effectiveness of funds control strategies?

- a).....
- b).....
- c).....
- d).....

15).In the past financial year have you attended any seminar on how to modify funds control strategies.