

Strengthening Local Governments in Tanzania

Defining the training needs of the financial employees

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“It is my conviction that the implementation of the Local Government Reform Programme.... will contribute to significant reduction of the proportion of the people who are living in poverty.”

President Benjamin W, Mkapa, June 2002

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ABSTRACT

In this thesis the training needs of financial employees at Local Government Authorities (LGAs) in Tanzania are analyzed. This thesis focuses on financial decentralization, which means that decisions on resource allocation, planning and financial matters are made at grass root levels. The background of this thesis is the NICHE project. The goal of the NICHE project is to strengthen LGAs by building short courses to support them in their increasing role in the decentralization process.

Data are collected by focused interviews with the financial employees at 7 LGAs in Tanzania. Besides this a workshop concerning the subject is attended and a previous study concerning the subject is consulted. From the different sources of data, the training needs that can be solved by training are derived. Furthermore, the role of the financial employees of LGAs in Tanzania is compared to the finance function in The Netherlands to find out what the main differences and similarities are.

In total 12 trainable topics are derived from the different sources of data collection. These topics can be used as input for building the short courses for the LGAs in Tanzania. There are also training needs which can not be solved by training, but which can have a great influence on the performance of the LGAs.

The financial function at LGAs in Tanzania is less developed compared to the finance function in The Netherlands. The added value and efficiency of the financial in Tanzania is in an less mature stage than the financial in The Netherlands.

Key words: Local Government Authorities, Tanzania, decentralization, training needs financials.

1. Introduction and research question

In Tanzania decentralization has been a process of the last decades. Decentralization in general means the act of central government giving some political, financial, administrative and economic powers to the sub regions so as to speed up development processes. In theory decentralization means decisions on issues about resource allocations planning and implementations are made at grass roots levels. This thesis focuses on financial decentralization and the background of this thesis is the Netherlands Initiative for capacity development in Higher Education (NICHE) project concerning 'Strengthening Financial decentralization and Local Financial Governance in Tanzania' (NICHE, 2010). The Institute of Finance Management (IFM) in Dar es Salaam is the main partner in the NICHE project and will be setting up courses for the LGAs in the coming years. The expertise of a consortium will be provided to IFM by the partners in the project. The University of Groningen (RuG) is one of the partners in the consortium. The short courses are intended to support the Local Government Authorities (LGAs) in their increasing role in the decentralization process.

Financial decentralization involves granting the LGAs more financial discretionary powers to levy taxes and raise local revenues. It also involves LGAs to make and approve their own budgets according to their own priorities as dictated by local conditions and needs of residents. Another aspect is observing certain mandatory expenditure requirements to attain national standards and improving the inter-governmental fiscal transfer system to ensure that LGAs receive adequate unconditional and other grants in a timely and efficient manner.

For the development of the short courses and to make them attractive for LGAs, a needs assessment is necessary. In this study, the focus is on the needs assessment of the financial employees at LGAs.

The research question which will be handled in this thesis is:

What are the training needs of the financial employees at the Local Government Authorities in Tanzania?

Sub-questions to answer the research question are the following:

- What are the tasks and goals of the financial employees at LGAs?
- What is the current quality of the financial employees at LGAs?
- What are the working circumstances the financial employees face at the LGAs?
- What kind of specific problems do the financial employees face at LGAs?
- Given the answers to these questions: What are the training needs for the financial employees at LGAs?
- What are the main differences and similarities between the finance function in The Netherlands versus Tanzania?

Later on a more detailed explanation will be given on the sub-questions, but to help the reader the sub-questions are already introduced here.

In general the main fields of the short courses were developed already before the needs assessment. They were mainly based on the already existing knowledge available at the IFM about the training needs. In this Institute a broad range of knowledge does exist on how things are running in this field. The main fields of the short courses are:

- Soft Skills in the field
- Accounting and Financial management
- Internal Controlling
- Taxation
- Effective and Gender Sensitive Budgeting
- Local Governance
- Understanding and use of ICT application in Financial Reporting and Expenditure Monitoring

For all the fields a concentration on financial matters will be applied. But ICT skill and general soft skills will also be part of the trainings which will be developed in the project. With this thesis the contents of the courses will be developed, from the point of view of the participants of the courses. Especially the practical needs from the field will be handled in this thesis.

Data are collected by focused interviews with the financial employees at several LGAs in Tanzania. Besides this a workshop concerning the subject is attended in Dar es Salaam and a previous study concerning the subject is consulted. In chapter 2 the theoretical background on decentralization, especially concerning LGAs in Tanzania is given. In chapter 3 on research design, the methods which are used will be discussed in more detail. The results will be reflected in chapter 4 and in chapter 5 the conclusions, limitations and further research will be discussed.

This thesis is written for the Executive Master of Finance and Control in Groningen. This study focuses on the controller/finance function in an organization. For this thesis the focus will be on the financial employees at the LGAs in Tanzania. In chapter 2 an overview of the finance function in The Netherlands is given. In the conclusions the finance function at LGAs in Tanzania will be compared to the finance function in the Netherlands to find out what the main differences and similarities are.

2. Theoretical background on the position and needs of financial employees at LGAs in Tanzania

This chapter gives an overview of the theoretical background of this thesis. The theories which are discussed are relevant for answering the research question in this thesis. First the Vision 2025 for Tanzania will be handled (paragraph 2.1) and after that fiscal decentralization will be discussed (paragraph 2.2). The Local Government Reform Program is described in the paragraph 2.4 and the current status of the financial employees at LGAs in Tanzania will be discussed in paragraph 2.4. At the end of this chapter the finance function in The Netherlands is being described. In the conclusions of this thesis the financial employees in The Netherlands will be compared to the role of financials at LGAs in Tanzania.

2.1. Vision 2025

Fiscal decentralization is not a new theme in the Policy agenda of Local Government of Tanzania. By the mid-1980s, the government had realized that the past development policies and strategies were not adequately responding to changing markets and technological conditions in the regional and world economy and were also not adapting to changes in the domestic socio-economic conditions. In response, beginning mid-1986, the government adopted socio-economic reforms which continue to be implemented to date. But it was out of realization that these reforms had to be underpinned by a long-term development philosophy, if they were to be owned and sustained by the people. A vision for development is an articulation of a desirable future condition or situation which a nation envisages to attain and the plausible course of action to be taken for its achievement. Tanzania of 2025 should be a nation imbued with five main attributes (The Tanzania Development Vision 2025):

- High quality livelihood;
- Peace, stability and unity;
- Good governance;
- A well educated and learning society; and
- A competitive economy capable of producing sustainable growth and shared benefits.

One of the key elements of the developmental mindset and empowering culture is that there is a learning society. The society should be encouraged to learn continuously in order to upgrade and improve its capacity to respond to threats and to exploit every opportunity for its own betterment and for the improvement of its quality of life. Therefore, this research on the training needs of the financial employees at LGAs fits in this developmental mindset.

One of the strategies for the realization of the Vision 2025 is the promotion of Information and Communication Technologies (ICTs). These technologies are a major driving force for the realization of the Vision and enable the meeting of basic needs of the people, increasing productivity and promoting competitiveness. The new opportunities which the ICTs are opening up can be harnessed to meet the goals of the Vision. However, appropriate skills and capabilities would have to be put in place. This task demands that adequate investments are made to improve the quality of science based education and to create a knowledge society generally. Keeping this in mind it is important

that the understanding and use of ICT applications in financial reporting and expenditure monitoring is one of the main subjects of the courses which will be developed for the LGAs.

2.2. Fiscal Decentralization

Decentralization brings decision-making closer to the people and therefore yields programs and services that better address local needs. The challenge is to ensure that all stakeholders can and will voice their opinions. Supporting open dialogue and participation between the local government and civil society can ensure improved self-reliance (Robertson, 2002). The sequential theory of decentralization, defines decentralization as a process which includes a set of policy reforms that has a purpose of transferring responsibilities, resources or authority from higher to lower levels of government (Faletti, 2004).

Fiscal decentralization involves decentralization of sub national finances by introducing equitable and transparent revenue and capital development grants from central government to LGAs. Fiscal decentralization is a core component of the decentralization policy, because for LGAs to carry out decentralized functions efficiently and effectively, enough funds are necessary for any effective decentralization process. Fiscal decentralization involves decentralization of sub national finances by introducing equitable and transparent revenue and capital development grants from central governments to local government authorities. It also involves giving LGAs financial powers, which involves spending powers and authority to raise appropriate local revenues (Robertson, 2002).

Furthermore, Robertson (Robertson, 2002) defines decentralisation as the transfer of responsibility for planning, management and resource raising and allocation from the central government and its agencies to lower levels of government. The co-responsibility between institutions of governance at the central, regional and local levels according to the principle of subsidiarity is important. This means increasing the overall quality and effectiveness of the system of governance, while increasing the authority and capabilities of sub-national levels. Decentralized governments are expected to be more flexible, responsive and efficient than centralized governments.

Tanzania has always seen decentralization as an ideal approach to rural and urban development. Since Independence in 1961, the government adopted several decentralization measures geared towards promoting rural and urban development. While central government administrative structures improved through these decentralisation initiatives, actual participation by the rural and urban population in the development process was not realized. Tanzania's ongoing political and economic reforms demand effective decentralization in which the involvement of the people is given paramount importance, directly or through their democratically elected representatives. Since decentralization is heavily dependent on political will of the central government and consensus of the population, constant changes in the political framework can hinder the building of support for decentralization.

2.3. The Local Government Reform Program (LGRP)

To give the decentralization a more practical interpretation, the Local Government Reform Program is made. This program aims to amend local government laws and increase resources available to local government authorities. It also aims to improve the management of these resources (Robertson, 2002).

In 1998 the Tanzanian Government published the Policy Paper on Local Governance Reform. This reform program included six main components (Braathen E., 2005):

1. Governance: To establish broad-based community awareness and participation, aimed at promoting principles of democracy, transparent and accountable government;
2. Restructuring: To enhance the effectiveness of local government authorities (LGAs) in delivering quality services in a sustainable manner;
3. Finance: To increase the resources available to LGAs and improve the efficiency in their use;
4. Human resource development: To improve accountability and efficiency of human resource use at Local Government level;
5. Legal components: To establish an enabling legislation to support the effective implementation of local government reforms;
6. Program management: To support the effective and efficient management of the overall reform program.

The essence of the LGRP is to transfer duties and financial resources from the central to local government levels. The extent to which this will result in improved services, such as in health, education, water supply, transport infrastructure etcetera, depends on the quality of local governance as well as on financial management. The adaptation of the local government reform is described by the government as intended to install local government that restores power and voice of the local people in decision-making and managing local affairs. The local government reforms also promised to promote government responsiveness and accountability in the delivery of the local public services.

The second phase of the LGRP started in 2005. The overall objective of phase 2 of the LGRP is to document the process of change and impacts of the ongoing Local Government Reform in Tanzania. And also to provide managers and key stakeholders with operationally relevant information and an analysis of lessons learned during the implementation (CMI, 2005).

Key elements in the LGRP are to transfer duties and financial resources to the local level. The LGRP aims to amend local government laws and increase resources available to local government authorities as well as to improve the management of these resources. At the end of LGRP II the reform is expected to have made progress towards 'effective and empowered LGAs as primary and accountable lead actors of socio-economic development, public service delivery and poverty reduction in their areas of jurisdiction' (NICHE, 2010). This is also the aspect this thesis will focus on.

2.4. The current role of financial employees at LGAs in Tanzania

In this paragraph the current role of financial employees at LGAs in Tanzania will be examined. Some literature of the previous years is consulted to determine the development in working circumstances of and the specific problems faced by the financial employees at LGAs.

President Benjamin quotes in the REPOA Brief (Mushi, Melyoki, & Sundet, 2005) that 'We clearly cannot improve quality of life and social well-being without strong, well governed, effective and

accountable local government authorities'. In this REPOA Brief two districts in Tanzania have been assessed in order to gauge the level of transparency of public financial matters at the district and sub-district level. The findings of this assessment are the following:

- Information displayed by the LGAs to the public, are displayed in a format that made it difficult to understand for stakeholders. It is hard for stakeholders of the LGAs to ascertain for stakeholders what the money is used for, let alone whether this is according to the budget;
- Council staff and councillors had a poor understanding of the budget and the budgeting process;
- Although the policy framework vests considerable responsibility in the councillors to communicate to their constituents the decisions and deliberations in the councils, it was found that little information sharing took place. Many of the consulted citizens said that they mistrusted the councillors and the staff of the council and felt that leaders and officials were withholding or distorting important information.
- The problems experienced at the district level were multiplied in the villages. The visited villages had poor systems of record keeping. Records were incomplete, and notices with financial information that were displayed, were displayed inside the village's office, thus not easily accessible to most villages.

Another REPOA Brief (Fjeldstad, Braathen, & Chaligha, 2006) states that the councils' management teams, especially the treasurers and planning officers, allocated a substantial share of their time to planning, budgeting and reporting, while the actual implementation of (realistic) plans and priorities suffered. Another finding is that many LGAs are severely constrained in the production of reliable fiscal data. The staff did not have the capacity to put reports together. A problem that occurred are that the reported budgets are not similar at different levels. And although substantial resources have been provided to computerize financial management and planning, the actual use and impacts of these systems on local financial management are uncertain. A study carried out in six case councils proved that it is difficult to implement new financial management systems within lower levels of the councils.

A conclusion from the REPOA Brief (Fjeldstad, Braathen, & Chaligha, 2006) is that there is an urgent need to simplify the fiscal reporting requirements for LGAs and to build a reliable, consistent and updated local database on finances and expenditures. Therefore, at local government levels, staff are required who are capable of building and working with fiscal databases, as well as to process adequate information for relevant stakeholders. At the central level, there is a need to improve the capacity to analyse local government fiscal data. Improved coordination between the various stakeholders at the central level is also required to avoid duplication and inconsistencies. Another conclusion is that Internal Auditor's offices in the case councils were either understaffed or not staffed at all. Special incentives should be provided to encourage internal auditors to work for and remain with local government authorities.

Earlier, also Boex and Martinez (Boex & Martinez-Vazquez, 2003) concluded that Tanzanian LGAs, especially the small ones, have a great need of technical assistance in such areas of accounting, tax administration, data processing and treasury. These are essential aspects of financial management for LGAs and therefore also part of the short courses which will be developed for the LGAs.

Also in the NICHE project description (NICHE, 2010) the following gaps at LGAs are determined:

- Fiscal empowerment of LGAs has not yet been fully achieved;
- There is few good qualified accounting and financial management staff within LGAs;
- Weak reporting and monitoring of LGAs' finances;
- Weak internal audit function and governance practices;
- Perception that the local government 'sector' is not a career path for graduates;
- Absence of gender policy and gender mainstreaming practices within LGAs.

To conclude from this paragraph, there are several problems in working circumstances the financial employees at LGAs face. Therefore, it is reasonable that NICHE is starting this project to develop the short courses for LGAs.

2.5. The finance function in The Netherlands

The finance function in The Netherlands has many different forms from bookkeeper to business controller. Swagerman (Swagerman, 2009) states that the controller needs to act as the critical business partner in the organization. The controller is trying to keep the organization 'in control'. The primary task of the controller is the performance of the organization and reporting plays an important role in this. With the final purpose of reaching the goals and targets of the organization in a timely and dedicated way. According to Anthony & Govindarajan (Anthony & Govindarajan, 1998), management control is the process by which managers influence other members of the organization to implement the organization's strategy. The main focus of the controller is on hard financial skills with a lot of attention to the contents. An important aspect is the impact the controller has on the decision making in the organization.

Dekker & Jalink (Dekker & Jalink, 2005) define the task of the controller as the person who is collecting and interpreting the financial data. The goal is to provide management with information so they can manage the organisation and to bear responsibility. In their article Dekker & Jalink investigate which roles might be expected from the controller and which roles he/she needs to fulfill within the organisation. They also look at competence the controller needs to have. They conclude that function groups as internal reporting, external reporting, advising and organisational change are important for controllers. Looking at competences, controllers need an integer, pro-active, prospective and client-driven attitude. Strong analytical competences, combined with a critical attitude are basic skills for a controller. To influence impact on the organisation, personal and inter-personal comptences are needed.

In their article van Leeuwen & Wemmenhove (van Leeuwen & Wemmenhove, 2001) classify the finance function in five different stages. In figure I these evolutionairy stages are shown. The added value the financial has, is shown on the vertical axis. The horizontal axis shows how efficient the financial works. These five stages are:

1. The classical disaster: The justification on the previous year is too late, because the administration is not up to date;
2. The scorekeeper: As long as the administration is good and reliable, then the scorekeeper is satisfied;
3. The financial controller: Besides being the scorekeeper, the financial controller questions if this happens in an efficient way: it needs to be good and fast.
4. The management controller: The systems, routines and methods of working are reliable and efficient and are reviewed periodically. The management controller focuses on supporting the manager ('partner in business');

5. 'Finance of the Future': The controller has been allocated a lot of different tasks and the demands from the environment increase. By continuously increasing the efficiency and added value, the traditional finance function has broken up in to several directions. The finance function will enhance more and more non-financial information.

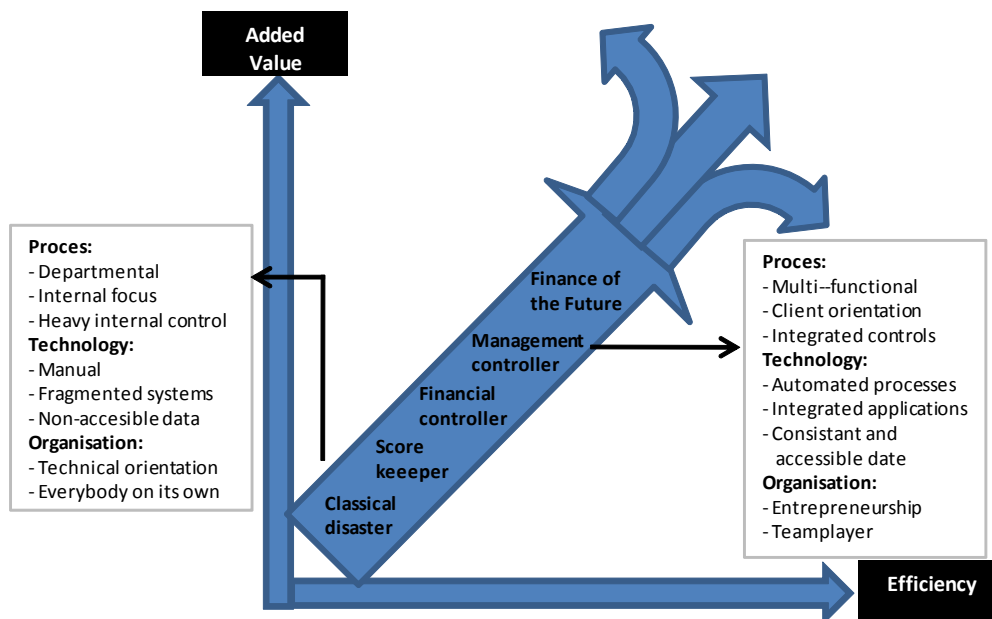


Figure I: Evolutionary stages of the finance function (van Leeuwen & Wemmenhove, 2001)

Van Leeuwen & Wemmenhove conclude in their research that the management of an organisation wishes the control-function to develop from a financial to a management control-level. But this change is most of the time initiated by general management.

In her article Schoenmakers (Schoenmakers, 2009) interviewed Paul Kelder, the chairman of the Controller Institute. He mentions the demand for controllers who are strong in the contents of their profession, but also have a good sense of the business. Another interviewee, Hein Pieter Okker who is senior manager at Robert Half, can agree with this. A good controller is capable of recognizing trends and treaths for the organisation. He can make proposals of the direction the organisation is heading towards, based on a business analysis. Again the business aspect of the controller role is emphasized in this definition, which has parallels with the 'management controller' role of van Leeuwen & Wemmenhove.

Concluding on this paragraph, it is clear that there is written a lot about the ideal role of the controller. In multi-national companies the trend to the 'Finance of the Future' role is already noticed, whereas smaller companies are still more in the 'financial controller' role. On average it can be concluded that the finance role in the Netherlands is heading toward the 'management controller' role. This means the systems, routines and methods of working are reliable and efficient and are reviewed periodically and the controller acts as a 'partner in business' besides a role which is manly based on figures.

3. Research design / research methods

The data collection in this research is done in several ways. The main sources of data are collected through focused interviews with the financial employees at the Local Government Authorities. Interviews are one of the six sources of evidence which are most commonly used in doing case studies according to Yin (Yin, 2009). Yin mentions three types of interviews, the in-depth, the focused and the formal interview. With the in-depth interview the respondents are asked about the facts of a matter as well as their opinions about events. Another source of interview is a focused interview, in which a person is interviewed for a short period of time. The interviews may still remain open-ended, as the in-depth interview, but it is more likely to be following a certain set of questions derived from the case study protocol. A third type of interview entails a formal survey, with more structured questions. In this research the focused interview is used as a method of collecting the data. Figure II gives an schematic overview of the focused interview of the financial employee. The tasks, goals, quality and working circumstances are questioned, to derive the training needs of the employees.

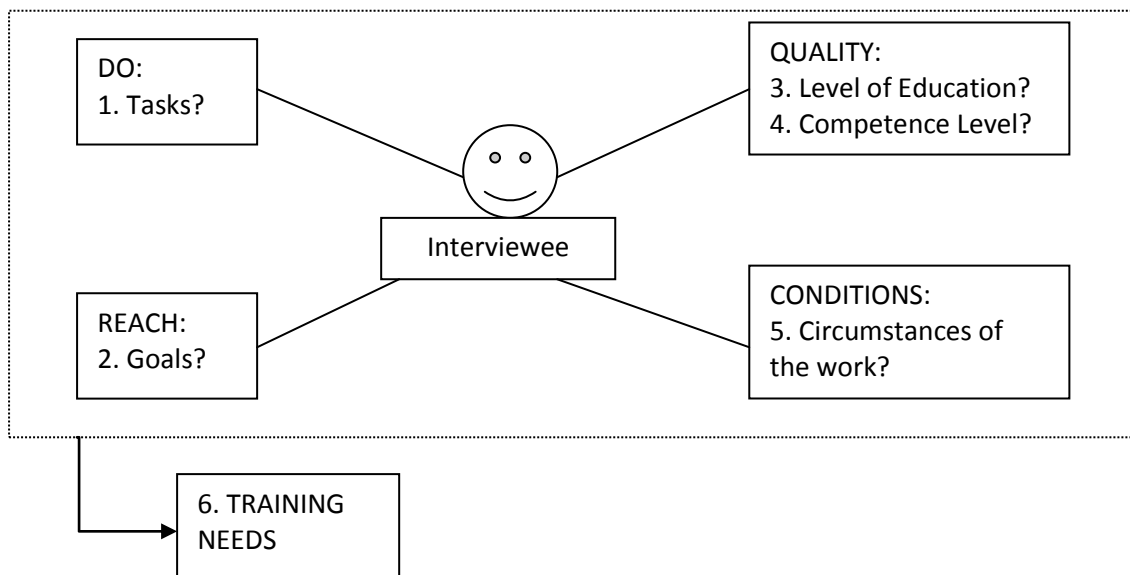


Figure II: Schematic overview of the focused interview of the financial employee

Verschuren en Doorewaard (Verschuren & Doorewaard, 2007) discuss different research strategies in their book. One of these strategies is the case study research. This is the chosen research strategy in this thesis. Characteristics of the case study research are the following:

- A small area, with limited research units;
- A labor-intensive approach, with a more in-depth way of working;
- A selective or strategic sample survey;
- The claimed aspects relate to the whole research;
- An open observation at the location;
- Qualitative data and ditto research methods.

The research is qualitative instead of quantitative research, because the number of interviews is not significantly large enough to do quantitative research on. The results of the different interviews are compared to each other to generate overall conclusions on the data. The research at the LGAs is based on method triangulation (Verschuren & Doorewaard, 2007), where different methods of collecting the data are combined. Besides the individual interviews on the financial employees, the workshop with the group interview is attended. A third method is analyzing the theoretical material on the subject of LGAs in Tanzania.

This study is as a case study research where the locations of the research are physically visited. In a survey on the other hand, the data collection is more based on a written questionnaire. This case study research can be characterized as the hierarchical method (Verschuren & Doorewaard, 2007) where the research is separated in two stages. At the first stage the individual cases are investigated in an independent manner. In the second stage the results from the first stage are used in a comparative analysis over the individual cases. An explanation for the differences and similarities of the different cases is done in the second stage.

3.1. Data collection

Data are collected by using a standard questionnaire in focused interviews with the financial employees at LGAs in Tanzania. Seven different LGAs have been selected and in total 24 financial employees have been interviewed. The questionnaire can be found in Appendix I and contains mainly open questions on the work and work environment of the financial employees. A single interview took between 40 and 60 minutes. The interviewee are asked about their work environment and continued to asked about it when something is unclear to get a good overview of the circumstances.

The selecting criteria for choosing the 7 LGA's have been on different aspects, to increase the validity of research. A selection is made on urban versus rural districts. This distinction is important because urban districts face different problems and challenges than rural districts. An urban area is characterized by higher population density and vast human features in comparison to areas surrounding it. Urban areas may be cities, towns or conurbations (Wikipedia, Urban area). Rural areas are large and isolated areas of an open country with low population density (Wikipedia, Rural area). In the REPOA Brief (Fjeldstad, Braathen, & Chaligha, 2006) is stated that urban councils are generally better resourced and seem to be able to implement more plans from below (village and ward level) than their rural counterparts. In rural councils, however, there is an urgent need to simplify and streamline the existing planning and budgeting system.

By selecting the district another aspects that plays a role is if the area is touristic or not. A good combination of more and less touristic districts are selected. Besides that the accessibility of the area is a selection criteria for choosing the districts.

The financial employees can be distinguished in different types of functional areas. The head of the financial department is the Municipal or District Treasurer. In some cases the Treasurer is supported by an Assistant Treasurer. The other financial functions at the LGAs can be categorized under the following areas:

- Revenues: dealing with revenue collection;
- Expenditures: dealing with payments;

- Salaries: dealing with human resource issues and salary payments;
- Final Accounts: dealing with general bookkeeping at LGAs.

In Table 1 an overview of the districts and specific functions in that district that have been included in the research are given. Also the distinction between rural and urban districts is reported in the overview. District finishing with DC are the District Councils which are the more rural areas. District finishing with MC are the Municipal Councils, these are the more urban areas. Per function the gender of the interviewee is indicated.

Urban / Rural	District	Function/Area	Male / Female
Rural	ARUSHA DC	Assistant Treasurer Final Accounts Treasurer	Male Male Male
	MERU District	Expenditures Revenues Treasurer	Female Male Male
Urban	ARUSHA MC	Expenditures Final Accounts Revenues Salaries Treasurer	Male Male Female Female Male
	BAGAMOYO DISTRICT	Expenditures Final Accounts Revenues Treasurer	Female Male Female Male
	ILALA MC	Expenditures Salaries	Male Female
	KINONDONI MC	Expenditures Final Accounts Revenues Salaries	Male Male Female Female
	ZANZIBAR MC	Revenues Treasurer	Male & Female Female

Table 1: Overview of districts and number of interviews

Besides this another source of data are collected by attending the workshop 'Training Needs Assessment'. In this workshop a selection of employees of LGAs are asked about their work and the problems they face while performing their work. The workshop consisted of 3 days. Day 1 and 2 of the workshop are to share experience and learn about different perspectives of the problems the LGAs face. From this data the problems which can and can't be solved with training are separated from each other. Eventually this input will be used when setting up the courses for the LGAs by the Institute of Finance Management. At this workshop the source of evidence for collecting the data is direct observation from focused group interviews.

Day 3 of the workshop is to facilitate conducting applied research. In the NICHE project (NICHE, 2010) five research themes are defined for applied research. In day 3 of the workshop it is discussed what is

relevant for LGAs in those themes. In this way the research questions can be related to problems in the field and possible solutions to solve these problems. Because the content and outcome of day 3 of the workshop are not relevant for answering the research question of this thesis, day 3 of the workshop is not included in the results of this thesis.

The third source of data collection is conducting a previous study concerning the subject of LGAs in Tanzania. The research of Mbogela and Pennink (Mbogela & Pennink, 2009) is analyzed, to include the problems or challenges the LGAs face from this perspective.

In chapter 4 concerning the case study results, the three methods of data collection are described. From every method of data collection, the problems or challenges the LGAs in Tanzania face are derived. For every problem or challenge, it is indicated if they can or cannot be solved by training. In the end of chapter 4, the different methods of data collection are combined. An overview of the overlapping problems and challenges which can be solved by training, are shown in a table. From this table, conclusions are drawn in chapter 5.

4. Case study results

In this chapter the results from the different sources of data collection will be outlined. The main source of results comes from the focused interviews, which will be handled in paragraph 4.1. After that, the results from the workshop Training Needs Assessment will be dealt with in paragraph 4.2. In paragraph 4.3 the results from other research, namely the paper of Mbogela & Pennink will be taken in account. Every paragraph will end with the specific training needs of the results of that paragraph, including the items that can and cannot be trained. In paragraph 4.4 an overview of all the training needs from the different methods will be summarized. The differences and similarities between the methods will be described.

4.1. Focused Interviews

The results from the interviews can be categorized in different subjects. The tasks, goals and educational questions are the more factual part of the interview. When asking the financial employee about competences the focus is more on soft skills than facts. The general questions are partly facts based, but are also particularly focusing on problems and obstacles the employee faces in their work.

By analyzing the results the tasks, goals and competences of the employee are examined from a function perspective. This approach has the advantage that the functions can be classified in specific groups. The functions which will be examined are: revenues, expenditures, final accounts, salaries and the district treasurer. After analyzing the results on a function base, specific aspects of a region will be dealt with in a separate paragraph. In the end, some general findings concerning education, competences and the working situations of all interviewees are drawn. Especially the part on obstacles the financial employee faces is an important part of this section.

In this thesis the hierarchical method (Verschuren & Doorewaard, 2007) described in chapter 3 is interpreted in the following way. The first stage of the method is the focused interviews with the financial employees. Those interviews are individual and independent from each other. The second stage of the interview will be handled in this chapter. The results are used in a comparative analysis between functions and regions over the individual cases. The differences and similarities of the different cases are outlined by the second stage of this method.

4.1.1. Function: Revenues

Tasks

In total 6 employees have been interviewed who are dealing with revenue collection or revenue accounting. Main tasks of the employee who is dealing with revenues are:

- Preparation of daily, monthly, quarterly and yearly revenue reporting;
- Reconciliation of revenue bank statements with revenue income;
- Make sure the law is followed up;
- Supervising revenue collectors outside the office;
- Posting money to the bank if it is cash;
- Budget preparation;

- Coordinating outsourced revenue collection.

The sources of revenue collection are for example: market stand, service levy, hotel levy, parking, rent and rate tax and advertisement. Every district has its own sources of revenue collection, depending on the nature of the district. The revenue employee spends most of the working day on collecting and reporting the revenues.

Goals

The main goals of the revenue collector are:

- Meet the target of revenue collection compared to the budget;
- Increase the revenue income and number of tax payers;
- Analyze outside influences on revenue collection;
- Interpret the law to identify sources of revenue collection;
- Perform revenue reporting in time.

In most cases, the District Director in collaboration with the District Treasurer decides on the goals and the priority between the goals. Sometimes the proposal on the goals comes from the department itself. Priorities on the importance of the different goals vary at every district and are sometimes decided by the department itself and sometimes by the Director.

Competences

When asking the revenue employees about a big achievement they reached, most examples they give are on increasing the revenue collection by interpreting the law in a different perspective. Problems faced by trying to increase the revenue collection are the availability of cars and that tax payers are complaining about the urgency to pay tax.

4.1.2. Function: Expenditures

Tasks

There are 5 employees interviewed who are dealing with expenditures, their main tasks are:

- Prepare and execute internal and external payments;
- Writing payment vouchers in the system;
- Coordinating authorization process of payments;
- Preparing daily and monthly reporting on expenditures for councilors and director;
- Budget preparation;
- Contact with auditors on accounting issues;
- Discuss with managers on deviations between budget and actual spending;
- Make sure payment procedures are correctly and in place.

The employees dealing with expenditures spend most of their time on the daily processing of payments. After that, most time is spend on reporting on the expenditures.

Goals

Goals which are mentioned by the expenditure employees are:

- Ensure that payments are made according to the procedures;
- Spending of budget according to plan and monthly discussion with managers on spending;
- Timely and correctly reporting on expenditures.

In most cases the District Treasurer gives directions on the goals and priorities between the goals.

Competences

When interviewing the employees on big achievements they reached, two of the employees could not think of anything that has been changed in the recent years. Other achievements which are mentioned are on standardizing or improving the reporting on expenditures. Most of the time the improvements are involving the usage of computers in the reporting. A problem with implementing this new way of reporting is to deal with the people who are not willing to change. They think that computerizing the reporting only involves a lot of time and is not helping them. By showing them the advantages of a more automatized way of reporting, most of the times the new ways of reporting have been implemented.

4.1.3. Function: Final Accounts

Tasks

Four employees working within the final accounts department have been interviewed in this research. Parts of the tasks of the final accounts employee have some overlap with the employees dealing with expenditure and revenues. Main other tasks of these employees are:

- Bank reconciliation for expenditure and revenues;
- Putting payments, salaries and expenditures in the system with the input from different departments;
- Preparation of general and overall budget;
- Preparation of periodic reporting (financial statement, balance sheet, cash flow statement) on overall district performances;
- Closing the books of account at the end of the year.

Goals

Goals of the final accounts department are mainly concerning the timely preparation of financial reports and meeting other deadlines. The head of department decides on those goals. One employee mentioned bringing good services to citizens as the highest priority. Basically he was able to look at a broader picture, outside his own department.

Competences

Asking the final accounts employees about big achievements they reached, they mostly mention the increasing usage of computers in their department. Problems they face trying to achieve this are a shortage of computers and the drop out of electricity. Another problem is that they find it hard to train people on new ways of working. It is hard to change the mindset of the people after working manually for a long time.

4.1.4. Function: Salaries

Tasks

In total three people working on the salaries department are interviewed. Their main tasks are:

- Salary documents are prepared correctly and timely;
- Remove staff from payroll which are out of service;
- Ensure smooth settlement of salary payments in general;
- Clarify issues with departments on salaries;
- Keep a register of unclaimed salaries;
- Preparation of reporting on salaries per department.

Besides the normal monthly payments of salaries the department is dealing a lot with problems concerning transfer and promotions of employees of the LGAs.

Goals

When asking the employees dealing with salaries about the goals they have in their work, they mention they have to pay the salaries timely every month and to make sure the transfers of employees and other changes are done correctly and timely.

Competences

Only one out of the three interviewed salary employees could mention a big achievement reached in their work. This involved speeding up the changes in salary payments. An obstacle of dealing with these changes is that the head of department is not working along. Eventually the payments are speeded up, but the employee mentions it is hard to make structural changes.

4.1.5. Function: District Treasurer

Tasks

In total five district treasurers and one assistant treasurer have been interviewed. In general the tasks of these employees focus more on management tasks and policy making. Specific tasks of the treasurer involve:

- Monitoring activities concerning finance, revenue collection, salaries and expenditures;
- Preparation of budgets;
- Being the principal advisor to the council on all financial matters;
- Preparing annual estimates of income and expenditures, in conjunction with heads of department;
- Maintaining a sound accounting system, according to the financial regulations;
- Ensuring an effective system of internal control;
- Approve and authorize the reports prepared by the finance department;
- Approve payments of various departments and advise the director on the payments;
- Final financial statement consolidation and preparation.

Goals

The most important goals the district treasurers have, are:

- Make sure a clean record for the council is reached and kept;
- To provide good services to people in the community;
- Make sure the finance of the government is according to rules and regulations.

In most cases the goals for the district treasurer are decided in consultation with the district management team, including the director of the council. The goals are made visible in the yearly budget book or the strategic plan for the council.

Competences

Three district treasurers mention the implementation of EPICOR as project with a good result. EPICOR is the ERP software used at LGAs in Tanzania. Obstacles they faced involved the complexity of the system and the limited training facilities and time they received for doing it. By pushing on extra training facilities and technical support on the implementation of EPICOR, they tried to overcome this problem.

4.1.6. Results on all functions

In the previous paragraphs the results of the interviews are examined from a function perspective. In this paragraph the results from the interviews are analyzed over the total group of interviewees. This is because when describing these results, no distinction between the different functions can be made.

Education

All interviewed financial employees have an education in Finance or Accounting. The level of education varies from advanced diploma, to post-graduate diploma, to Bachelor or Master. About half of the interviewees currently attend or already finished a professional qualification. In most cases the professional qualification is the Certified Public Accountant (CPA). The number of years the employee worked in a financial job differs greatly from 2 to 30 years. 15 employees worked outside the LGAs. Some of them worked as a teacher and some worked as an Accountant at a private company.

Competences

The function specific competence part has already been discussed in the previous paragraphs. As described some employees give good examples of achievements they reached while performing their work. They mention for example the implementation of EPICOR or setting up new reports as big achievements. Also the further questions on how they implemented the project and what kind of obstacles they faced are well explained.

On the other hand it can be noticed that some employees could not indicate a single achievement they reached. Also when explaining the question or asking it in a different way, the employees were not able to come up with any examples. They basically did not change anything in their work or

procedures during the several years they worked in that specific function. Mainly they followed the instructions of the manager on the work they do.

Materials

In general there are enough materials provided to the employees. The only things they sometimes lack are computers and vehicles to collect the revenues.

Most employees use computer programs in their work, which are mainly Word, Excel, PlanRep (a program for budget preparation) or EPICOR (a bookkeeping system for LGAs). The time they spend behind their computer differs from 10% to 80% of their working hours.

Central Government interaction

Only 12 of the interviewed employees have direct contact with the central government concerning their work. Specific things the employees mention about their contact with central government are:

- Grants from the central government come in too late or don't come at all. In this way, the projects can't be performed in the right way;
- The central government gives instructions on how to prepare budgets and how to define and implement new projects;
- Sometimes the central government requests information or reports with a very tight deadline;
- The central government does not provide enough funds on training the employees at the districts;
- In general the overall support from central government is well appreciated and rather good. They do the things the district asks for to support them.

A specific concern mentioned by some of the interviewed employees is about the fact that central government collects a large amount of the revenues in most of the regions. This percentage is about 80% or 90% from all the revenue collection in the regions. As a consequence, the central government is also largely involved in the decision making in the region.

Obstacles faced by financial employees

In the end of the interview the financial employees are asked a rather open question on obstacles they face while performing their work. Because of the open character of this question, a lot of different answers are given. In general the obstacles faced by the financial employees are the following:

- Electricity power cut offs which has influence on light and usage of computers in the district;
- Dependence on different departments to finish reporting and payments in the districts;
- It is a struggle to get people in the community to understand that it is important to collect revenues to do good things with the money eventually;
- Sometimes there is not enough money within the district to make the payments, so there is a problem to satisfy all suppliers;
- All decision making goes through the director, therefore the process is not really speeded up;
- Sometimes the financial employees face problems communicating to the councilors in the district, as they have political problems which sometimes interfere with the goals of the finance department;

- Another problem with the councilors is that there is a lot of change in the group of councilors at every district after every election. The experience of councilors fades away and the new councilors need again a lot of training concerning financial issues in the district;
- Limited availability of computers to perform the work and vehicles to collect the money in the district.
- Because of the large hierarchy which is visible in the district, the financial employees sometimes face problems when trying to change something concerning their work because every decision needs to be approved by the director of the district;
- Some district face the problem that the EPICOR system is not installed yet in their district, therefore they have to do a lot of manual actions;
- Communication with other departments in the district is sometimes hard, because they lack the financial knowledge and sometimes delay the process of information exchange between the departments.

4.1.7. Specific aspects of the region

On a lot of aspects, the urban and rural districts face the same obstacles and follow the same working methods. The main difference between urban and rural districts which can be noticed, concerns the fact that rural districts cover a larger area. In urban areas the districts only concern is the city, which of course has its special dynamics. But a special concern of the rural areas is that it covers multiple wards and villages. Therefore it is harder to reach all district employees and align the overall district plans with all wards and villages. What is especially noticeable from the interviews with rural district employees, is that they find it hard to check if the funds are spend correctly by the different villages.

In Zanzibar the people who collect the revenues face a lot of problems because part of the law is out-of-date. People in the community are not willing to pay certain taxes, because these taxes are contradictory to the law in Zanzibar. Revenue collectors in Zanzibar also face some corruption with tax collection from people in the community.

4.1.8. Training needs derived from focused interviews

The challenges of problems of LGAs from the focused interviews described in paragraph 4.1 are summarized in the Table 2. The items are categorized in problems that can and cannot be solved by training.

Nr.	Challenge or problem of LGAs	Can be solved by training?
1	Availability of vehicles to collect revenues	No
2	People don't always see advantages of computerizing, hard to train people on new ways of working	Yes
3	Shortage of computers	No
4	Drop out of electricity	No
5	Lack of knowledge at head of departments / councilors	Yes
6	Limited training on EPICOR system	Yes
7	Monitoring spending at village level in rural areas	Yes
8	Out-of-date laws make it hard to collect taxes	No
9	Grants from central government come in too late or not at all	No
10	Central government requests reporting with a very tight deadline	Yes

11	Central government does not provide enough funds on training the employees at the districts	No
12	Lack of autonomy because of interference of central government	No
13	Dependence on different departments with reporting	Yes
14	Struggle to get people from the community to understand the importance of revenue collection	Yes
15	Hierarchy in the district hinders decision making (lack of influence)	No

Table 1 Overview training needs from focused interviews

4.2. Workshop Training Needs Assessment

The workshop Training Needs Assessment (TNA) is a step by step process to get a detailed and well discussed content of the training courses which will be set up for the LGAs. In the workshop the focus is on working problems: what is the point of view on the working problems and what should be done to solve these problems?

4.2.1. Day 1 workshop TNA

The first day of the workshop TNA are the 'Focus Group Interviews' to share experience and learn about different perspectives of the problems the LGAs face. The results from this first day are an overview of the main problems the LGAs face, mainly from a financial point of view. The items are categorized in problems that can and cannot be solved with training. An overview of the first day of training needs is the following:

Nr.	Challenge or problem of LGAs	Can be solved by training?
1	Inadequate skilled staff	Yes, long and short term training
2	Poor allocation of HR resources	No, only advise
3	Delayed and insufficient funds from central government	No
4	Political pressure and interference	Yes
5	Lack of autonomy, always interference by central government	No
6	Poor data management, lack of computers and insufficient usage of computers	Yes, mostly short term training
7	Conflict of interest between councilors and councilor staff	Yes
8	Conflict of policies and interpretation of policies	Yes
9	Inadequate accountability in financial management, revenue collection and expenditures	Yes
10	Lack of uniformity in financial reporting formats	No, because it comes from instructions from central government
11	Lack of knowledge on interpretation of different laws and regulations	Yes, short term training
12	Existence of some out-dated laws and by-laws	No
13	Lack of harmonization of national policies	No, central government issue
14	Delay of planning guideline implementation	No, central government issue
15	Lack of budget implementation according to plan	Yes, partly trainable
16	Budget dependent on central government budgeting	No

Table 2 Overview training needs from workshop TNA day 1

4.2.2. Day 2 workshop TNA

The second day of the workshop TNA is to discuss in more detail the contents of the training courses. The courses are divided in three groups, namely:

1. ICT
2. Financial Management & Controlling, Taxation and Budgeting
3. Soft Skills

In small groups there is a discussion about the situation now at LGAs and the situation that need to be achieved on certain subjects. For this thesis the focus is on the financial aspects of the courses, as the financial employees have been interviewed. These aspects will be dealt with in more detail in the following paragraphs.

On ICT the following input for courses has been defined:

- Mindset & Awareness;
- Specialized Applications: EPICOR, PlanRep;
- General ICT Skills: Excel, Access, Project Planning, Internet;
- ICT Management: Planning & Maintenance.

Concerning Soft Skills, the following input was seen as important by attendees of the workshop:

- Leadership skills: leading by example, motivation;
- Conflict management skills;
- Team building skills: not enough knowledge sharing;
- Time management skills;
- Communications skills: knowledge sharing;
- Negotiation skills: convince people;
- Presentation skills;
- Customer care.

Financial Management & Controlling

The attendees of the workshop gave the following input concerning Financial Management & Controlling:

- Some councils don't use the system EPICOR, so accuracy and timely reporting is not possible and the work involves a lot of paperwork;
- Back-up support for EPICOR system is not good enough;
- Problem how to interpret the financial regulations within the staff or council;
- Auditing need to be trained, internal on reporting issues, external auditors also need training;
- Importance of financial reporting for councilors, financial reports are made for decision making;
- Different reports are produced out of the system by councilors, sometimes reports manually adjusted in Excel;
- Cost/benefit analysis is very important: who makes analysis and who makes the decision?
- How do you update the financial regulations in your reporting?
- Staff and village/ward level need to have the basics of bookkeeping;
- To manage the projects, accounting (basics) is also necessary for non-accounting staff;
- Special training needed on IPSAS: specialized public sector accounting standard;
- Knowing and interpreting the Local Government regulations;

- How to rank the projects is also important at village level;
- How do you decide which project are more important? Important question is also who makes the decisions?

Results for input on courses on subject Financial Management & Controlling are:

- Procurement procedures;
- Interpretations of various acts/regulations;
- CPA review;
- Book keeping to village executive officers;
- Project management techniques;
- Financial statement analysis;
- Discipline on public spending;
- Basic knowledge on budgeting to village officers;
- Training in IPSAS;
- Preparation of internal audit reports.

Revenue collection and Taxation

While discussing the Revenue collection and Taxation, the following points were indicated as input for the courses on these subjects:

- Revenue collection is the backbone for the LGAs;
- Harmonize the people to pay taxes;
- Enforcement techniques;
- How to make the by-laws;
- Monitor and post the revenues: daily, monthly interpretation of revenues;
- Seasonality is also important;
- How do you assess if the company pays enough tax: tax assessment and tax auditing;
- Outsourcing of revenues on a councilor level: who makes the decision of outsourcing the revenue collection? Study of which revenues can be outsourced and an instruction for this;
- Need to understand the taxation system: local government versus central government and interferences;
- When revenue collection is outsourced, tendering is also an important aspect.

Results input for courses on Revenue collection and Taxation are:

- Revenue collection & management;
- Understanding & implementation of various Acts in LGAs;
- Preparation of revenue report;
- Tax assessment & tax audit;
- Cost benefit analysis (for outsourcing).

Budgeting

Concerning the budgeting at the LGAs, the attendees of the workshop indicated the following input for the courses on this subject:

- Fixed element are salaries and overhead, for the remaining expenditure is depended on revenues;
- Training on PlanRep needed;
- Link between PlanRep and EPICOR needed (some people already have this, so if you have interaction between the LGA's this problem can easily be solved);

- Which are the specific tools used to prepare the budget the way it is supposed to be?
- How effective is the budget, concerning funds are delayed. And how do you try to make the budget effective?

Results input for courses on Budgeting are:

- Expenditure & revenue planning
- Elements of budgeting

4.2.2.1. Training needs derived from Workshop TNA Day 2

In the second day of the workshop TNA the contents of the courses are discussed in more detail. From these discussions there are extra training needs derived, which are on top of the training needs from the first day of the workshop TNA. The items in the Table 4 below are again categorized in problems that can and cannot be solved with training.

Nr.	Challenge or problem of LGAs	Can be solved by training?
1	Back-up support for EPICOR system is not good enough	No
2	Councilors lack basic financial reporting knowledge	Yes
3	Staff at village/ward level lack basics of bookkeeping and financial management	Yes
4	People from the community are not willing to pay taxes	Yes
5	Not enough understanding of outsourcing revenue collection and possible tendering process	Yes

Table 3 Overview training needs from workshop TNA day 2

4.3. Results from other research

In chapter 3 it is indicated that the research is based on method triangulation (Verschuren & Doorewaard, 2007). In paragraph 4.1 and 4.2 the results from respectively the focused interviews and the workshop TNA are given. This paragraph handles the last method of the triangulation, namely the results from other research on the subject of LGAs in Tanzania. For this aspect the paper of Mbogela & Pennink (Mbogela & Pennink, 2009) is examined. This paper addresses the following questions:

- Whether the Tanzanian sub regions have adequate capacity required for the Decentralization processes to be effective;
- Whether the Tanzanian sub regions comply to policies and regulations in managing the public resources under their custody;
- To see how has the practice of managing the public resources in local governments changed as a result of implementing decentralization policy in Tanzania.

After in-depth interviews at 4 districts, the following observations with regards to resources and working facilities are given in Table 5.

Case	Observations with regards to resources and working facilities
1st Case Mbozi DC	<ul style="list-style-type: none"> • The number of staff in the treasury department is not enough • Not all departments in the council have an accountant • Enough computers for available staff in the treasury department • There are not enough transport facilities • For 2007/2008 revenue from own source was 6% • Grants from central government are not received timely
2nd Case Mbeya DC	<ul style="list-style-type: none"> • Enough number of staff in the treasury department with required qualifications • For 2007/2008 budget 5% was from own source • Grants are not timely received from the central government • Enough computers and transport facilities
3rd Case Mbeya CC	<ul style="list-style-type: none"> • There are no enough working staff, there are only 14, while the required number is at least 25 • No enough computers as well as transport facilities • For 2007/2008 budget 96% was from outside sources which are in most cases not received timely
4th Case Morogoro MC	<ul style="list-style-type: none"> • Most staff in the treasury department are in studies • Currently there are enough computers • For the 2008/2008 budget 7% was financed by local sources

Table 4 Capacity evaluation on the four case studies (Mbogela & Pennink, 2009)

Another aspect of the research of Mbogela & Pennink was about the improvements reported in the four case councils as a result of the implementation of the decentralization policy. In Table 6 an overview of the achievements per case is given.

Case	Achievements from the Decentralization by Devolution policy
1st Case Mbozi DC	<ul style="list-style-type: none"> • Review of councils by laws • Increased revenue collection locally • Capacity building for working staff
2nd Case Mbeya DC	<ul style="list-style-type: none"> • Increase in revenue collection from local sources • Capacity building for working staff • Improvement in service provision • Enhanced participatory approach in decision making
3rd Case Mbeya CC	<ul style="list-style-type: none"> • Capacity building for working staff • Enhanced the timely reporting • Increase in revenue collection
4th Case Morogoro MC	<ul style="list-style-type: none"> • Capacity building to working staff • Harmonization of reporting system • Representation of the LGAs

Table 5 Improvements as a result of implementation of the decentralization policy

Concerning challenges the case councils reported, a major challenge was the issue of late reception of funds from the central government. An overview of the main challenges faced by the case councils is given in Table 7.

Case	Challenges
1st Case Mbozi DC	<ul style="list-style-type: none"> • Councilors • Interference of ministries • Political interference
2nd Case Mbeya DC	<ul style="list-style-type: none"> • Lack of technical knowledge at the village level • Donors funds conditions • Delay of grants from the central government • Councilors • Political interference
3rd Case Mbeya CC	<ul style="list-style-type: none"> • Lack of enough workforce • Inadequate facilities • Delays in grants from the CG
4th Case Morogoro MC	<ul style="list-style-type: none"> • Office building • Inadequate working facilities • Inadequate work force

Table 6 Challenges still facing the city councils

4.3.1. Training needs derived from paper

Nr.	Challenge or problem of LGAs	Can be solved by training?
1	Insufficient number of staff at LGAs	No
2	Sometimes not enough computers and transport facilities	No
3	Grants from central government are not received timely	No
4	Budget from own source of revenues is only around 5% compared to budget from central government revenues: lack of autonomy	No
5	Councilors are policy makers and mostly have low level of education	Yes
6	Lack of technical knowledge at village level	Yes
7	Lack of enough workforce and workspace	No

Table 7 Overview training needs derived from paper

4.4. Summary of the training needs

In the previous paragraphs the training needs from the different methods are derived. For every aspect it is indicated if the problem can or cannot be solved by training. In this paragraph a summary is given of all the trainable problems or challenges the LGAs face. Over the different methods described there are 21 trainable problems or challenges the LGAs face. There are some overlapping problems which appear in more than one method. Appendix II gives a categorization of the problems that can be solved by training. By grouping these problems, 12 trainable topics remain. The trainable topics are linked to the subjects of the defined courses of the NICHE project (NICHE, 2010), which are described in chapter 1. Some trainable topics cover several course subjects. An overview is given in Table 9.

Nr.	Training topics	Course
1	Developing professional data management	ICT
2	Inadequate skilled staff (councilors and councilors staff)	Several
3	Training on EPICOR system	ICT
4	Basic bookkeeping and financial management at village level	Accounting and financial management
5	Planning to central government deadlines	Internal Controlling
6	Dealing with political pressure and interference	Soft Skills in the field
7	Get people from the community to understand importance of revenue collection	Taxation
8	How to deal with revenue collection and expenditures (implementation skills)	Several
9	Understanding consequences of outsourcing revenue collection including tendering proces	Taxation
10	How to interpret and apply law	Local Governance
11	Budget implementation knowledge	Effective and Gender Sensitive budgeting
12	How to deal with revenue collection and expenditures (implementation skills)	Several

Table 9 Training topics and accompanying courses

Trainable topics that appear in more than one method of data collection are more relevant than trainable topics that appear in only one method of data collection. It can even be questioned if trainable topics from only one of the four methods are important. On the other hand all the training topics come from real problems the financial employees at LGAs face. Therefore it is at least important to include these aspects when building the courses for LGAs.

5. Conclusions, Limitations and Further research

In this chapter the conclusions, limitations and recommendations for further research are outlined. The conclusions of the case study results are given in paragraph 5.1 and limitations of the research follow in paragraph 5.2. In paragraph 5.3 the finance function of employees at LGAs in Tanzania is compared to the finance function in the Netherlands. Finally, paragraph 5.4 gives some recommendations for further research.

5.1. Conclusions

In chapter 4 the results from the different methods of data collection are described. The chapter ends with the training needs of the LGAs which can be solved by training. On every training course subject there are specific training needs which come out of this research. There are also training needs which can be linked to several training courses.

Because a wide range of districts are conducted in this research, the results can be applied to all districts. Specific attention needs to be given to the rural district, which face the problem of lack of knowledge at village and ward level. When building the courses for the rural districts, this point of attention needs to be taken into account.

A positive conclusion from the research is that a lot of the LGAs use the financial system EPICOR. The usage of a financial system in a district is one of the main conditions for a sound financial process with minimal changes on making mistakes. Of course it is necessary that people who use the EPICOR system know how the system works and what the system can do. From the training needs which are derived, there needs to be more attention to the training of the financial employees on the EPICOR system. This training subject needs to be part of the course on understanding the use of ICT applications.

An important training topic is the inadequate skilled councilors and councilors staff at LGAs. From every method of data collection, this training need is derived. Therefore it is important that the training not only focuses on the financial staff, but that also the councilors are included in the training. An important role for the financial employee of the LGA is to make the whole district aware of the financial consequences of actions and decisions. In doing this, the soft skills of the financial employees are an important factor. Clear communications with a lot of confidence are important skills of the financial employees. The councilors need to be confident that the financial department knows what is going on.

Robertson (Robertson, 2002) states in his article that decentralization is heavily dependent on political will of the central government and consensus of the population. Constant changes in the political framework can hinder the building of support for decentralization. This is an important statement that can be linked to the results in this research, because a lot of interviewees face the problem of funds from central government come in to late or don't come in at all. Therefore the LGAs cannot perform their plans the way they intended to and decentralization is hindered.

Achieving autonomy for LGAs to manage their own financial and human resources, laid down in an appropriate legal framework, is considered to be the biggest incentive for an LGA to improve its functioning (NICHE, 2010). Only 5%-10% of the income of the LGAs is received from its own source of revenue collection. The rest of the income comes in as grants from central government. Therefore it

can be concluded that for most LGAs the autonomy is limited, which hinders the decentralization process.

Another conclusion of Robertson is that capacity building, both in terms of human resources and financial support, has often been quoted as the principle obstacle in furthering decentralization processes. There is an ongoing need for capacity building and technical assistance, as well as practical lesson sharing. From the results of this research the need for extra training of resources and extra financial support on for example computers or vehicles becomes clear. Decentralization is hindered because of these shortcomings in capacity building. Of course the lack of financial support can not be solved by training, but by determining the content of the training for the LGAs this needs to be kept in mind.

One of the fields of the courses is 'Effective and Gender Sensitive Budgeting'. The gender equality is important while preparing and executing budgets. In paragraph 2.4 it is indicated that there is an absence of gender policy and gender mainstreaming practices within LGAs. Among other things this absence has limited the number of female members of staff in management teams of most LGAs. In Table 1 in paragraph 3.1 the gender of the interviewees are indicated. Although 10 out of the 24 interviewees are female staff, a conclusion is that most of the female staff work in lower level finance functions as Salaries, Expenditures and Revenues. The higher level functions like Treasurer, Assistant Treasurer and Final Accounts employee are mostly occupied by male finance staff. The only exception is Zanzibar MC, where a woman is leading the finance department in the function of Treasurer.

This thesis focuses on the challenges or problems the LGAs face, which can be solved by training. There are also a lot of challenges which cannot be solved by training. When preparing the courses for LGAs this needs to be kept in mind, because it can still have a great impact on the performances of the LGAs. These challenges or problems can influence the process in the LGAs and need to be kept in mind when the training courses for LGAs are defined. When these non-trainable challenges are too big, sometimes it doesn't make sense to invest in the training course. For example it is not useful to develop courses on developing professional data management when the availability and the perspective of the increase in the amount of computers at LGAs are limited.

5.2. Limitations

Yin (Yin, 2009) mentions that interviews are an essential source of case study evidence because most case studies are about human affairs or behavioral events. Well-informed interviewees can provide important insights into such affairs or events. But an important limitation in reporting about interviewees' responses is that they are subject to the common problems of bias, poor recall and poor or inaccurate articulation. Therefore it is reasonable to corroborate interview data with information from other sources.

Advantages of case study research (Verschuren & Doorewaard, 2007) are the possibility to get an integrated overview of the situation. This is especially important in research that is aiming at changing a specific situation. The research at LGAs fits in this perspective, because it is dealing with changing the situation at LGAs. Another advantage of a case study over a survey or experiment is that the research is more flexible to adjust during the process. A final advantage is that results of a

case study research will be accepted better in the field, because of the smaller distance of the researcher to the field.

A potential disadvantage of case study research is that the external validity of the results are sometimes under pressure. In case of studying fewer cases it is harder to project the findings on the total population.

An important limitation of this research is the number of districts and respondents which have participated in the interviews. The selection of 7 districts and 24 interviews is not enough to make conclusions in a statistically well supported way. On the contrary the interviews contained enough similarities to make some general conclusions, which have been handled in the previous chapter. This limitation is on the other hand partly tackled by including the other sources of data collection in this research.

Another limitation which has been mentioned before, is that a lot of training needs can not be solved by training. This is not so much a limitation of this research, but more a limitation of other factors. These limitations need to be kept in mind when developing the courses for the LGAs, because they can influence the effectiveness of the training.

5.3. The finance function in Tanzania versus The Netherlands

From the research on the financial function at LGAs in Tanzania the word 'controller' has never been mentioned. Every financial employee calls himself an 'accountant'. In The Netherlands on the other hand, the accountant is the person from outside the organization who checks if the financial statements are correct and accomplished according to the accounting standards. In Tanzania these people are tend to be called 'auditors'. As mentioned in paragraph 2.5 the role of the financial in The Netherlands focuses on involvement in decision making of the organization. When conducting this research, the role of the financial employee at LGAs is not developed as far as in The Netherlands. Financial employees at LGAs are more book-keepers, with the focus on basic financial accounting issues. The financial function in Tanzania is still developing and with the training courses the role should go more and more to a decision maker role in the organization.

Figure I in paragraph 2.5 gives an overview of the evolutionary stages of the finance function. The conclusion of the paragraph is that the finance role in The Netherlands is heading towards the 'management controller' role, where the financial focuses on supporting the manager as a 'partner in business'. From the case study results of this research, it can be concluded that the financial function at LGAs in Tanzania is not further developed than stage 2, the 'scorekeeper' function. The next stage would be the 'financial controller' role, where efficiency of process has a more central role. Until now, this stage is a step too far for Tanzanian LGAs, as they are currently still struggling with basic bookkeeping and reporting issues.

5.4. Further research

As mentioned in the limitations of this research, the validity of this research is not large enough to statistically proof that the right training needs are derived. Further studies should be conducted to include more case councils so as to be in a position to have a broader picture of the effectiveness of the fiscal decentralization in Tanzanian LGAs.

Further research should also include the influence of the training needs that cannot be solved by training. As said before, these training needs can have a big impact on the effectiveness of the training at the LGAs. There needs to be special attention to the influence of the non-trainable problems on the performance of the LGAs in Tanzania.

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Appendix I: Questionnaire

Question 1: What are the current duties of the financial employees?

- 1.1. What kind of (main) duties does your work consist of? (list of duties)
- 1.2. How much time of your working week do you spend on each of these duties? (percentage)

Question 2: What are the working goals of the financial employee?

- 2.1. Do you have goals in your work or do you just do what your boss or manager tells you to do?
- 2.2. If you do have goals, which person or which organization decided the goals of your financial tasks?
- 2.3. How are these goals defined?
- 2.4. What is the priority between these goals?
- 2.5. Who decided this priority?
- 2.6. When starting a working day, do you normally have a clear direction of the work that needs to be done that day?
- 2.7. If so, do you reach those goals during the day?
- 2.8. If not, is there a common reason why you don't reach the goals?

Question 3: What is the level of education and the education background of the employee?

- 3.1. What is your level of education?
- 3.2. Which (what level of) professional qualification did you reach? (this is depending on the background: Accounting, Auditors or Procurement. It is sort of a registered level of professional qualification).
- 3.3. How many years have you been working in a financial job?
- 3.4. Do you also have working experience outside the Local Government?
- 3.5. If yes, was this also a financial job? What sort of job?

Question 4: what is the current competence level of the employee? (knowledge, skills, attitude, motivation)

- 4.1. Can you mention a big achievement you reached in your work?
- 4.2. Where there any obstacles you faced during the implementation?
- 4.3. What were they?

4.4. How did you handle them?

4.5. Why did you choose this approach to handling the challenges over other options?

4.6. What were the actual results achieved through this program?

4.7. How was that measured?

4.8. Did you meet your expectations?

Question 5: How are the current circumstances of your job?

5.1. Do you use computer programs in your current work?

5.2. If so, which programs do you use? How much time of your working day do you spend behind your computer?

5.3. If no, in what way do you perform your work without a computer?

5.4. In what way do you have the materials to perform your work in the right way?

5.5. Which materials and programs do you miss to perform your work in the right way?

5.6. In what way do you get appreciation and reward for your work?

5.7. How would you indicate the highness of this appreciation and reward? (on a scale from 1 to 5 from 'totally not appreciated' till 'very much appreciated')

Questions on central government (5.8, 5.9 and 5.10) are maybe not recognized by the local government employees, so only question them to managers.

5.8. In what way does the central government help you to perform your work in the right way?

5.9. What do you think of the quality of this support of the central government?

5.10. What kind of support do you miss from the central government?

5.11. Do you have any obstructions or obstacles while performing your work?

5.12. Is there anything else you would like to mention?

Appendix II: Categorization of problems that can be solved by training

Nr.	Training topics	Course	Challenge or problem of LGAs which can be solved by training	Paragraph	Method
1	Developing professional data management	ICT	People don't always see advantages of computerizing, hard to train people on new ways of working	4.1	Focused interviews
			Poor data management, lack of computers and insufficient usage of computers	4.2.1	Workshop TNA Day 1
2	Inadequate skilled staff (councilors and councilors staff)	Several	Councilors are policy makers and mostly have low level of education	4.3	Paper Mr. Mbogela
			Councilors lack basic financial reporting knowledge	4.2.2	Workshop TNA Day 2
			Inadequate skilled staff	4.2.1	Workshop TNA Day 1
			Lack of knowledge at head of departments / councilors	4.1	Focused interviews
3	Training on EPICOR system	ICT	Limited training on EPICOR system	4.1	Focused interviews
4	Basic bookkeeping and financial management at village level	Accounting and financial management	Lack of technical knowledge at village level	4.3	Paper Mr. Mbogela
			Monitoring spending at village level in rural areas	4.1	Focused interviews
			Staff at village/ward level lack basics of bookkeepings and financial management	4.2.2	Workshop TNA Day 2
5	Planning to central government deadlines	Internal Controlling	Central government requests reporting with a very tight deadline	4.1	Focused interviews
6	Dealing with political pressure and interference	Soft Skills in the field	Conflict of interest between councilors and councilor staff	4.2.1	Workshop TNA Day 1
			Political pressure and interference	4.2.1	Workshop TNA Day 1
7	Get people from the community to understand importance of revenue collection	Taxation	People from the community are not willing to pay taxes	4.2.2	Workshop TNA Day 2
			Struggle to get people from the community to understand the importance of revenue collection	4.1	Focused interviews
8	How to deal with revenue collection and expenditures (implementation skills)	Several	Inadequate accountability in financial management, revenue collection and expenditures	4.2.1	Workshop TNA Day 1
9	Understanding consequences of outsourcing revenue collection including tendering proces	Taxation	Not enough understanding of outsourcing revenue collection and possible tendering proces	4.2.2	Workshop TNA Day 2
10	How to interpret and apply law	Local Governance	Conflict of policies and interpretation of policies	4.2.1	Workshop TNA Day 1
			Lack of knowledge on interpretation of different laws and regulations	4.2.1	Workshop TNA Day 1
11	Budget implementation knowledge	Effective and Gender Sensitive	Lack of budget implementation according to plan	4.2.1	Workshop TNA Day 1
12	How to deal with revenue collection and expenditures (implementation skills)	Several	Dependence on different departments with reporting	4.1	Focused interviews