THE UNITED REPUBLIC OF TANZANIA

MINISTRY OF WATER

Technical Audit of the Water Sector Development Programme (WSDP) for Financial Years 2010/2011 & 2011/2012

Final Report

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upimac

Cover Page Photograph: The 75,000 liter capacity water tank under construction at Mwanalugali Village – Kibaha TC and MoW Headquarters Former Rating Tank New Building with Ramp Access

Disclaimer

This report has been prepared at the request of Ministry of Water in the United Republic of Tanzania. The views expressed are those of the Consultant and do not represent the official views of the Ministry of Water.

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LIST OF ABBREVIATIONS

BWB	Basin Water Boards
BWO	Basin Water Offices
CAG	Controller Audit General
CB	Capacity Building
CBG	Capacity Building Grant
CBP	Capacity Building Plan
CC	City Council
COWSOs	Community Owned Water Supply Organisations
CWSSP	Community Water Supply and Sanitation Programme
DAWASA	Dar es Salaam Water and Supply and Sanitation Authority
DAWASCO	Dar es Salaam Water Supply and Sanitation Company
DC	District Council
DCC	Dar es Salaam City Council
DDCA	Drilling and Dam Construction Agency
DDSP	District Development Support Programme
DSM	Dar es Salaam
DUWS	Division of Urban Water Supply
DUWSAs	District Urban Water and Sanitation Authorities
DWR	Division of Water Resources
DWSTs	District Water and Sanitation Teams
EIA	Environment Impact Assessment
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
EWURA	Energy and Water Utilities Regulatory Authority
FY	Financial Year
GoT	Government of Tanzania
IAs	Implementing Agencies
IEs	Implementing Entities
IWRM	Integrated Water Resources Management
JWC	Joint Water Commission
JWSR	Joint Water Sector Review
KASHWASA	Kahama Shinyanga Water Supply and Sanitation Authority
LG	Local Government
LGAs	Local Government Authorities
LGCDG	Local Government Council Development Grant
LLGs	Lower Local Governments
LUWASA	Lindi Urban Water Supply and Sanitation Authority
M&E	Monitoring and Evaluation

MC	Municipal Council
MCS	Maji Central Stores
MORUWASA	Morogoro Urban Water Supply and Sanitation Authority
MoU	Memorandum of Understanding
MoW	Ministry of Water
MTEF	Medium Term Expenditure Framework
NAWAPO	National Water Policy
NP	National Project
NPs	National Projects
NWSDS	National Water Sector Development Strategy
O&M	Operations and Maintenance
OVC	Orphans and Vulnerable Children
PMU	Programme Management Unit
PS	Permanent Secretary
RAP	Resettlement Action Plan
RPF	Request For Proposal
RS	Regional Secretariat
RSs	Regional Secretariats
SWAP	Sector Wide Approach to Planning
RUWASA-CAD	Rural Water Supply and Sanitation Capacity Development
RWSS	Rural Water Supply and Sanitation
RWSSP	Rural Water Supply and Sanitation Programme
RWST	Regional Water and Sanitation Team
TB	Tender Board
TC	Town Council
ToRs	Terms of Reference
UWSA	Urban Water and Sewerage Authority
VFM	Value for Money
WASH	Water Sanitation and Hygiene
WB	World Bank
WDMI	Water Development and Management Institute
WDMI	Water Development and Management Institute
WRM	Water Resources Management
WRMA	Water Resources Management Act
WSWG	Water Sector Working Group
WSDP	Water Sector Development Programme
WSSAs	Water Supply and Sanitation Authorities

PREFACE

The Ministry of Water (MoW) wishes to recognise with sincere gratitude its staff, Prime Minister's Office – Regional Administration and Local Government (PMO-RALG), Ministry of Health and Social Welfare (MoHSW), Ministry of Education and Vocational Training (MoEVT) and all the Implementing Agencies (IA) which were sampled during this Technical Audit for the cooperation rendered to make this assignment a success.

The Water Sector Development Programme (WSDP), which is a consolidation of four sub-sector programmes, namely: Institutional Strengthening and Capacity Building; Water Resources Management; Rural Water Supply and Sanitation; and Urban Water Supply and Sewerage, has a duration of 2006 to 2025 with the first phase now expected to end June 2014, having been extended from June 2012. The Government of the United Republic of Tanzania (GoT), the World Bank and the Development Partners (DPs) through a Basket Fund are funding this programme.

The WSDP has sector objectives, sector policies, strategies and programs in line with the MKUKUTA and other relevant development frameworks like the Millennium Development Goal (MDG) that the Government of the United Republic of Tanzania and Development Partners would like to achieve during this programme period.

The Memorandum of Understanding (MoU) signed between the GoT and DP as well as the Programme Implementation Manual (PIM) recommended for the Annual Technical Audit (Value for Money, Procurement and Safeguards) by an independent consultant under terms of reference that are acceptable to the Water Sector Working Group (WSWG) and Development Partners. For this assignment, the audit has been for financial years 2010/11 and 2011/12.

The MoW recognizes the tremendous efforts of UPIMAC Consultants for their time, commitment to the assignment and the high quality and integrity exhibited during the Technical Audit, which made this exercise a success.

Finally, the Ministry wishes to recognize the financial support given by the World Bank and the DPs to the WSDP in general and to this assignment in particular.

DEFINITION OF TECHNICAL TERMS

Procurement Assessment
In regard to this assignment, the Procurement Assessment is an independent assessment of the procurement processes or procedures followed in the identification by the implementers of the various IAs' activities or investments i.e. Suppliers, Contractors, Consultants and other Service Providers. The assessment aims at examining whether the set procurement guidelines, acts and regulations are effectively put to use to ensure that Value for Money is achieved.

Safeguards Assessment
In this context refers to the assessment of social and environmental safeguards during investments or activities planning, design and implementation stages or processes. The assessment aims at checking the level of beneficiary involvement in planning and resettlement action requirements, design and implementation which in turn leads to investment or facilities sense of ownership and hence assurances for operation, maintenance and sustainability arrangements through establishment of Community Owned Water Supply Organizations (COWSOs). It also covers assessment of environmental issues and gender concerns.

Technical Audit
Technical Audit is a technical evaluation of an organization, system, process, enterprise, project, product or a person. It can also be defined as a procurement / financial/ engineering view point audit in each stage of planning, designing, costing and execution of public works construction and should usually conclude whether there was loss of public money or not i.e. how much money was wasted or misspent because of procurement / financial / engineering mistakes?

Value for Money Audit
A Value for Money Audit is a systematic, purposeful, organized and objective examination of Implementing Agency's activities or investments. It provides the decision makers with an assessment tool on the performance of these activities; with information, observations and recommendations designed to promote answerable, honest and productive Agencies; and encourage accountability and best practices.

Technical Audit and Value for Money usually are not examined under one study but in this particular assignment the two are required and both requirements have been taken into account.

The scope of a VfM exercise includes the examination of economy (E_1), efficiency (E_2), cost-effectiveness (E_3) and social safeguards of IAs' activities (E_4); procedures to measure effectiveness; accountability relationships;

protection of public assets; and compliance with authorities and regulations are a basis for this exercise. VfM is computed according to the following formula:

$VfM = E_1 + E_2 + E_3 + E_4$, and is rated as
10 – 12 points = Best
7 – 9 points = Good
4 – 6 points = Fair
0 – 3 points = Poor

Where E_1, E_2, E_3, E_4 are rated as 3 for Best, 2 for Good, 1 for Fair and 0 for Poor. The maximum score for each of the four Es is out of 3. The maximum VfM score therefore is 12. The table below describes the meaning of the ratings in this context.

Rating	**Meaning**
Best	Expected VfM
Good	Reasonable VfM
Fair	Little VfM (Struggling)
Poor	Negligible or No VfM

The above formula was generated by reviewing the VfM standards set by supreme audit institutions of the developed countries e.g. United Kingdom National Audit Office and Office of the Auditor General, Canada.

A review was also made in developing the VfM formula by considering the developing countries standards and local environments e.g. the formula was used in determination of VfM for World Bank funded Local Government Development Programme (LGDP) 1 and LGDPII in Uganda but with only three Es of Economy, Efficiency and Effectiveness. The formula has also been used in determining VfM for contracts implemented by LGAs in Tanzania (four Es applied).

The VfM formula not only provides examination of financial propriety in expenditure of public funds but more on the results in the context of pre-determined goals.

Investment /Activity
An Investment or activity in this report or context refers to a project implemented or a supply or a capacity building or service in form of Consultancy.

EXECUTIVE SUMMARY

This report presents the results of the Technical Audit of the Water Sector Development Programme (WSDP) for the Financial Years 2010/11 and 2011/12. The audit is based on sampled investments or activities implemented by 30 Implementing Agencies (IAs) including Ministry of Water (MoW). Other Agencies or institutions visited include Drilling and Dam Construction Agency and Water Resources Development Institute. Consultations were also made with PMO-RALG and the Development Partners including the World Bank. The thirty (30) IAs including MoW had transactions for investments while 11 IAs did not implement any major activity during the period under review and only spent on operational costs. Where no investments were implemented during the FYs under review, those investments implemented during the programme years before i.e. FYs 2009/10, 2008/09 and 2007/08 were selected and audited;

There are four Components under the programme i.e. Component 1 which focuses on the governance of water resources and priority water resources management and development investments; Component 2 focusing on Rural Water Supply and Sanitation; Component 3 focusing on Urban Water Supply and Sanitation; and Component 4 focusing on Institutional Strengthening and Capacity Building. In line with the ToRs, all the four components of the WSDP were sampled with the majority being of component 2 for LGA level. The total number of investments or transactions sampled in 30 IAs including MoW and its agencies were 97 of which 64 (66%) were completed and 33 (34%) were on-going.

The methodology adopted for the exercise was based on internationally accepted procedures and standards for assessing Value for Money (VFM). The Procurement and Safeguards Assessments were done which at the same time forms part of the processes tested under VfM.

An independent, objective and constructive assessment of the extent to which IAs have expended the WSDP funds was done by testing Economy, Efficiency, Effectiveness with due regard to social safeguards and quality of outputs.

This Audit gives the Government, World Bank, Development Partners, IAs affected, and beneficiary communities, an insight of how effective and efficient the implementation of the WSDP has been so far, in providing services to the citizens. This audit also promotes answerable, honest and productive institutions and encourages accountability and best practices.

The Audit has been done based on set of Value-for-Money standards attached (as annex 3: copy of our Audit Standard) that our audit teams have followed in order to produce a high quality audit. The audit has been carried out with a strong orientation based on current thinking and practice and the

findings guided by greater professional judgment. The overall audit conclusions have been influenced by evidence obtained and assembled in the field as per the Terms of Reference. The audit teams were made up of individuals who had an objective state of mind and were independent.

A Stakeholders Workshop to discuss the initial findings of the assignment was held on 6th March 2013 at the MoW Conference Room although the DPs did not attend. Another meeting was held on 21st May with the DPs and their comments received and incorporated. Throughout the audit, audit teams ensured that management's input on critical elements of the audit was sought and obtained.

The findings and analysis in this report reflect the status of implementation of investments or activities by IAs including MoW as of the FYs under review.

The audit exercise was well supervised and monitored by the Team Leader and the secretariat staff to ensure quality. Audit teams were oriented before field work to ensure a harmonized approach to the audit and internalization of data capture tools and methodology. The teams obtained sufficient evidence in the field and carried out the work diligently, conscientiously and with rigour.

The overall objectives of carrying out a Technical Audit are to assess the performance of the WSDP funded projects and whether they conform to MoU and Implementation Manual and identify any overlaps and duplication of efforts in all sub-sector programmes and activities in order to:

i) determine whether the allocated resources are being spent cost-effectively and for the intended purpose by all implementing agencies (IAs) including MoW and its Agencies ;
ii) assess compliance of implementation of the programme activities to provisions of the Environmental and Social Management Framework (ESMF) and the Resettlement Policy Framework (RPF); review a list of category A projects and adequate implementation of ESIA/ESMP and RAP in line with the WB safeguard policies;
iii) review adherence to the agreed procurement procedures and processes and value for money aspects, including training and capacity building activities, as well as the outcome of procurement processes and whether these constitute value for money;
iv) assess the performance of each implementing entity (IE), identify the underlying reasons in case of under-performance or non-compliance; and
v) Recommend appropriate mitigation measures that need to be taken.

The scope of the audit included the examination of economy, efficiency, cost effectiveness, social safeguards, accountability relationships and compliance with the laws and regulations.

The assignment covered key investment categories that included Works, Works Consultancies, Capacity Building, Goods and Non-Consultancies undertaken by IAs in the FYs under review, based on a purposeful drawn up sample (see table below).

Table 1: Sample distribution by Component

Component / Investment Type	1	2	3	4	Total
Works	1	29	7	0	**37**
Works Consultancy	1	14	6	0	**21**
Goods	2	12	11	0	**25**
CBG	0	3	0	5	**8**
Non-Consultancy	0	6	0	0	**6**
Total	**4**	**64**	**24**	**5**	**97**

The sample distribution by FY is as per the table 2 below.

Table 2: Sample Distribution by FY

Financial Year	No. of Investment Activities Sampled
2007/08	**11**
2008/09	**13**
2009/10	**10**
2010/11	**32**
2011/12	**31**
Total	**97**

For the period under review, the total amount of budget and corresponding releases by DPs is as per the table and chart below.

Table 3: Total Budget/Release to WSDP for FY

FY	Budgeted	Released	%ntage Released
2010/11	230,317,207,415	199,580,417,730	86.7
2011/12	476,777,694,007	127,091,493,263	26.7

Figure 1: Total Amount Budgeted and Released to IAs per FY

From the chart above; the budgeted amount steadily increased comparing the two years yet the releases outturn sharply decreased from 86.7% to 26.7% leave alone delays in actual releases. Government is not disbursing its contribution to the basket fund as per MoU, with less than 70% of the government funds disbursed since the beginning of the program. These affected the planned investments, as they could not be implemented and in some cases left huge balances on IAs accounts by end of FY. CB activities were not implemented under the basket fund arrangement.

There is need for commitment and adherence to MoU requirements by both the Development Partners and GoT so as to realize the WSDP objectives within the planned timeframe.

The total amount involved for the sampled investments was Tshs 12,382,968,720.56; Pound Sterling 108,489.56; United States Dollars 2,462,329 and Euros 13,170,050 excluding the amount spent on 4 investments sampled for audit but whose records could not be obtained.

Programme coordination arrangements were strengthened during the mid-term review/Joint Annual Review of March – April 2010. The dialogue mechanism put in place has enhanced coordination of programmes activities. The 4 technical working groups were found functional during the period under audit however, the Steering Committee sat once i.e. in February 2012.

The Programme Coordination Unit (PCU) established at the MoW has a major role as a watchdog to ensure that all IAs and other stakeholders fulfill their commitment to the programme. However, the PCU mandate needs to be further strengthened so that decision making is independent to effectively perform their functions.

A. Procurement Assessment Findings

In accordance with the MoU para 9.1.2, Procurement was supposed to be guided by Procurement Plans, which are updated at least annually. The audit indicates that the MoW and all IAs that had procurement plans in

place were not annualized as required and thus were static and did not include proposed completion dates.

Para 9.3 of the MoU requires by March 31 of each year, each Implementing Agency to prepare an annual procurement plan based on the rolling three-year work plan referred to in Section 5.1 of the MoU, and submit it to the MoW, for consolidation. There was no evidence that this requirement was met by the Ministry as annualized plans were not made available for audit to the audit team.

Procurement of works, goods, non-consultancy services, and consultancy services under the WSDP are supposed to be done in accordance with the Public Procurement Act (PPA) No 21 of 2004 and associated Regulations that became effective on April 15, 2005. The PIM required that MoW shall publish a Promotional Procurement Notice (PPN) annually in national and local newspapers to promote business opportunities to local contractors and suppliers clearly indicating the likely dates at which bid documents or Request for Proposal documents would be made available. This has not been adhered to by the MoW.

Specific Emerging Issues under Procurement Assessment

Analysis of the level of procurement compliance for 97 investments sampled has been done and the overall procurement risk is rated.

Out of 97 procurements sampled, 89 (91.8%) implemented activities were contracted out and 8 (8.2%) of the procurements were by force account operations. Force account operations method of procurement was used for activities implemented by Regional Secretariats, BWOs and UWSAs where materials such as pipes and valves have been supplied and the laying is by use of locally hired labourers.

The procurements that were compliant with the Public Procurement Act (PPA) No 21 of 2004 and Regulations, 2005 were 30 (30.9%) while those that were non-compliant were 67 (69.1%). Procurements under component 3 performed better while those under component 4 performed poorly.

The overall procurement risk rating under the programme therefore stands at 69.1% which is high. The causes for non-compliance included among other, missing procurement plans, PMUs not keeping auditable records of procurements, unskilled PMU staff, Lack of sufficient staff, supplies of materials and implements from un-prequalified firms, unapproved procurements, poor quality tender documents, unapproved variations, irregular sittings for Tender Boards leading to delays in procurements, weaknesses in stores management, uncoordinated procurements i.e. procurement of equipment is done and no funds for installation leading to massive delays, e.g. procurement of weather stations equipment for the WBO etc.

- *All IAs including Ministry of Water should have updated annual procurements plans which are part of the consolidated 5-year or 3-year plan.*
- *The MoW should exercise strict oversight over all IAs to ensure that all procurement records as well as records management in general is improved upon.*
- *It is recommended that Skills Enhancement Trainings on Procurement of Goods, Works and Services be conducted for all implementing agencies with purposeful capacity building of the PMUs, and Tender Boards.*
- *MoW should ensure that all IAs have a renewed commitment of compliance with Public Procurement Act and Regulations.*
- *MoW should ensure that competitive prices are obtained for all supply of goods and services so as to promote Value for Money in the implemented activities.*
- *MoW should ensure that considerations are made to incorporate social safeguards in BoQs where appropriate. This will avoid having multiple contracts by engaging a separate consultant to execute the social safeguards.*
- *MoW should organize refresher courses that should include stores management procedures for all IAs.*
- *There is need for the MoW to closely monitor the activities of the IAs and ensure compliance with the guidelines.*
- *MoW should establish quality assurance mechanisms of procurement documents at IAs so as to minimize delays in securing No objections.*
- *There is need for MoW to ensure that Procurement plans are integrated to enhance total use of the investments put in place thus achieving Value for Money.*

B. Safeguards Assessment Findings

The aim of this assessment was to ascertain whether the design and implementation of the sampled projects or activities took into account the necessary environmental, gender and social safeguards at community/beneficiary level including the resettlement requirements.

In a number of IAs, social safeguards have taken root as far as physical projects are concerned. Most of the public buildings like offices, sanitation toilets etc. are equipped with ramps for easy access by disadvantaged groups. However, there are still social safeguards lacking in other aspects like clear demarcations of toilets (female/male), lack of provision of anchors or distinguished stances for the disabled, deliberate planting of shrubs/trees in buildings surrounds, deliberate integration of social safeguards issues in CBG activities, etc. There has not been cases where environmental compliance certification has been made for category A projects although EIAs were in place. There were no major concerns regarding compensation of the affected people on the projects sampled. The

majority of the projects sampled were under category "C", which did not require EIAs but were comprehensively screened as requested.

There were efforts to integrate HIV/AIDS and Occupation Health and Safety at implementation level in a number of IAs e.g. Kibaha TC and DAWASA Construction of the Kidogozo River Breach Repair Works where laborers were found on site with protective gear that included helmets, gloves and reflective jackets among others.

Social safeguards compliance by factor consideration of the total investments or activities where the factor applied was done. Four factors were considered i.e. Involvement of beneficiaries and affected people during Planning Process; Beneficiary and affected people involvement during Implementation Process; Environment Concerns (EIAs); and Gender issues.

All the 97 investments sampled were subjected to the social safeguard assessment.

Of the 95 activities sampled that required beneficiary involvement during the planning/design process, 47 (49.5%) complied while 48 (50.5%) did not comply.

Of the 95 activities sampled that required beneficiary/affected people involvement during implementation process, 43 (45.3%) complied while 52 (54.7%) did not comply.

Of the 76 activities sampled that required environmental concerns including screening and EIAs, 34 (44.7%) complied while 42 (55.3%) did not comply.

Of the 52 activities sampled that required gender considerations including ramps accesses, sanitation facilities demarcations, non-discrimination of sex etc. 31 (59.6%) complied while 21 (40.4%) did not comply.

Overall, about 49.8% of the investments sampled fulfilled the requirements for social safeguards while 50.2% did not deliberately integrate requirements for social safeguards during planning and implementation of the investments. This clearly indicates that social safeguards are not yet fully on board as required.

IAs including MoW and its agencies should ensure that social safeguards are catered for in all investments right from the planning stage, through implementation stage and be duly budgeted for. Environmental audits should be emphasized. No investment should be allowed to start before social safeguards have been fully incorporated and addressed.

C. Value for Money Assessment

Value for Money assessment is out of four factors i.e. Economy, Efficiency, Effectiveness and Social Safeguards. Each of the factors has processes as analysed below as well as the Consultant's methodology. Analysis of process by process clearly summarises the VfM of the investments. Two of the VfM functions are covered above i.e. procurement process and Social safeguards. The sections that follow give the general analysis of VFM as per process while the details of the non-compliance issues are presented in **Annex 1** per investment or activity sampled.

Analysis of Investments/Activities by Process Compliance

Planning and Approval Process

The MTEF plans and budgets for the period under review were found in most of the IAs however in a number of agencies, the MTEF lacked evidence of approvals except for LGAs. For some investment activities, it was found out that there was no evidence of participatory planning involving beneficiaries. There was also inadequate project or investment screening in a number of IAs including MoW.

It was established that there was weak functionality of the Water Boards at UWSAs and there is less support from the Ministry in ensuring that the Boards performs their roles as far as planning process is concerned. However for most of the locations of the project sites, they were appropriately planned to the meet the needs of the population.

Of the 97 activities sampled, 41(42.3%) complied with the planning process guidelines involving beneficiaries in a participatory manner while 56 (57.7%) did not comply.

The reasons for non-compliance included but were not limited to lack of evidence of approval of MTEF; non-inclusion of the investment in the MTEF; lack of CNAs for CBG activities; and non-inclusion of the CBG activities in CNAs. All investments sampled under components 1 and 4 did not comply with planning guidelines.

There is need for increased adherence to planning guidelines by all IAs so as to ensure that investments or activities implemented are purposeful and yield Value for Money.

Implementation Process

Implementation process involves supervision of works, adherence to specifications, certifications for payments, meetings, quality control, inspection reporting, etc. In case of CBG activities, the process involves invitation of participants, proper management of the training, training evaluations, training report and training follow-up.

There are no integrated M&E plans for internal monitoring of field activities by the IAs. There is under performance of contracts due to low supervision, monitoring and evaluation as the program does not facilitate adequately the incremental costs.

It was established that in a number of Consultancy contracts for technical assistance and exploratory drilling, the responsibility of investigating for productive wells was passed over to contractors and as such a number of trials were found dry e.g. in Kisarawe DC.

Of the 97 activities sampled in all IAs, 17 (17.5%) followed the implementation process as explained above while 80 (82.5%) did not comply. All component 1 activities sampled were not implemented according to expectations hence negatively affecting their efficiency.

In addition to the above reasons, other reasons for non-compliance included but were not limited to: lack of proper certification for works done (no measurement sheets); delayed completion of works; substandard works; weak supervision leading to non-adherence to specifications; lack of performance securities; etc.

- *All works should be certified before payments are executed and detailed measurement sheets should be signed off by the provider and supervisor then attached as a supportive document to the payments.*
- *There is need for robust enforcement of work programmes and frequent site meetings to ensure that contractors perform according to scheduled timeframes. Payments due to Contractors should be honoured within contractual time frames. Where Supervision Consultancies have delayed due to delays by the contractors, liquidated damages should be charged on the contractors.*
- *Contractors / suppliers should be compelled to follow specifications and they should be properly supervised to ensure quality works or supplies are delivered which will serve the intended period of performance and hence achieve VfM.*
- *There is need for IAs technical staff to undergo a skills training in managing contracts right from inception to final hand-over / closeout. Investment Service Costs should be used for its rightful purpose.*
- *Incremental costs should be streamlined and properly budgeted for in the work plans; it is suggested that 10% of the work plans cater for supervision related costs and 5% for Monitoring activities thus a total of 15% should be considered so as to effectively implement the investments. This however would apply to capital investments only.*
- *There is need for better contract management to instill measures of tracking expiry of important contractual requirements like securities.*

Payment Process

In all IAs sampled, payments for supplies, services and works have been honoured in reasonable time although there have been remarkable delays for a few cases.

Of the 97 activities sampled 66 (68%) complied with the payment process financial rules and accounting regulations while 31 (32%) did not comply. Payments made under component 3 (urban water supply and sanitation) were the best performing in terms of compliance with financial regulations.

Reasons for non-compliance included, insufficient supportive documents, certification not attached to payment vouchers, payments made not according to schedules specified in the contracts and missing vouchers. The insufficient documents include measurement sheets for work done and in some cases, payment records have been problematic to retrieve. Only scanty records are available which makes it difficult to ascertain whether the investments achieved reasonable VfM.

All payments for activities implemented should follow the payment plan in contracts and should adhere to financial and accounting regulations.

Commissioning / Handover Process

Commissioning, handover or project closeout is a process that marks the end of the Contractors' delivery of services. This process is encouraged in VfM so as to cause contractors deliver quality works not to be afraid of such a ceremony and also to ensure community takeover of the investments. It has been found out that most of the sampled contracts have not undergone this process and a few have complied, clearly marked with plaques or commissioning blocks.

Of the 97 activities/investments sampled, only 19 had reached commissioning level or were eligible to have been commissioned. Of the 19, 10 activities or investments were publicly handed over representing 52.6% while 9 were not commissioned (47.4%). This shows that there is lack of transparency for most of the implemented activities by IAs. This process however does not apply for CBG training based on the methodology applied.

As a way of promoting transparency and accountability as well as ownership of the facilities to the population, there is need to ensure that all completed investments are publicly handed over for use.

Operations, Maintenance and Sustainability Arrangements

Operations, maintenance and sustainability process is a crucial process of upholding VfM of investments and ensuring their effectiveness. O&M however in this context applies to investment projects and CBG retooling and not CBG training or Works Consultancies.

Of the 97 investments or activities sampled, 65 were in a category that requires O&M i.e. excluding consultancies and CBG investments. Of the 65 investments, 22 (33.8%) had instituted O&M and sustainability arrangements while 43 (66.2%) lacked the arrangements.

Lack of O&M arrangements is majorly across all IAs with exceptions of Kilwa Masoko UWSA and Kibaha TC where O&M was properly arranged through budget and community mobilization.

The results indicate that there is a high risk (66.2%) of losing VfM in the investments over time because of lack of beneficiary involvement in their implementation to trigger a mentality of ownership of the facilities. Other direct reasons for non-compliance include: Lack of maintenance strategies and plans in most IAs, no provisions for funds for maintenance in the budget and that the community is not mobilized to make contribution to the maintenance of the investment. No Community Owned Water Supply Organizations (COWSOs) were found established in all IAs sampled. For cases where there were budgets for O&M, there has not been specific breakdown or plan to substantiate the amount budgeted for the facility in question. Even when the budgets may indicate O&M, there have been no evidence of execution of O&M and facilities were in dare need for maintenance.

There is need for a deliberate and systematic Capacity Building of the Project Technical Teams, Boards of Directors and other stakeholders like community leaders and the consumers on operation, maintenance and sustainability of investments under their jurisdictions. COWSOs should be established to manage community water facilities.

Quality of Works

The quality of works/Goods/Services implemented for investment activities was assessed and used as one of the parameter to score the effectiveness rating. The quality of outputs was good in some cases, while there are also a number of cases where the activities implemented have been characterized by defects such as cracks in walls, floors and concrete for office construction and sanitation toilets.

Of the 97 activities sampled, quality could only be measured in 96 activities of which 49 (51%) achieved good quality standards while 47 (49%) were of quality ranging from poor to fair.

Level of Facility /Equipment Utilisation

A number of facilities put in place like boreholes, offices rehabilitated or constructed, water points, consultancy reports and related outputs etc are being fully utilized and serving the purpose but there are also cases where the facilities/equipment are not serving the intended purposes. In all IAs, there were no inventories of completed, on-going or stalled projects.

Of the 97 investments or activities sampled, 77 were of a status requiring to be utilized of which 58 (75.3%) were being utilized while 19 (24.7%) were not being utilized thus not depicting Value for Money. Facilities that were not being utilised include among others: Contracts awarded for drilling productive boreholes and works scope end at capping without installation of the hand pumps; District Water Engineer's (DWE) building constructed in Korogwe District Council, fully furnished but not utilized.

It is recommended that onetime all inclusive contracts (with installation of pumps) are considered and solicited so that the facilities achieve VfM at the earliest. Facilities completed and ready for use should be occupied so as to justify VfM.

Utilization of Capacity Building Grant

It was established that there was no Capacity Building activities conducted in the Entities/Agencies in the areas of training and skills development. This was attributed to lack of releases from the center despite having CBG work plans submitted for consideration. This explains the poor performance of the IAs in achieving VfM in their investments. There is no TNA done for the Ministry and no consolidated CB Plan in place. CB activities under earmarked funding by GIZ, JICA etc. were not sampled under the audit.

There is need to provide CBG funds to train staff at agencies in key areas of focus like planning, procurement and contract management so as to ensure VfM is achieved in the implemented activities.

Improper Use of WSDP Funds

It has been found out that in some cases, WSDP funds have been used for non-programme works contrary to implementation guidelines. For example in Maswa DC, Tshs 36,000,000 (Cheque No.74952) was spent on paying road related activities; in Mwanza RS, WSDP funds were used for purchase of stationery for the Road Board Sitting and taking the budget proposal to the Constitution and Law Committee.

IAs should ensure that programme guidelines are followed and expenditures are based on approved work plans. The improperly spent funds should be accordingly refunded.

The above processes all put together formed a basis for analysis of VfM in the sampled investments implemented by the selected IAs including MoW.

Value for Money Analysis

Value for Money was calculated in accordance with the stipulated formulae for both completed and on-going investments and activities. For on-going investments and consultancy Contracts, VfM was calculated excluding commissioning and handover process and was scored out of 4 instead of 5

processes for efficiency. The VfM score is thus the value at the time and depicts generally the trend the investment is taking.

Overall VfM Rating by Sampled IAs including MoW

Of the 40 IAs that were visited by the audit teams, only 30 IAs had implemented auditable investments or activities including MoW. The table and chart below shows the average VfM rating achieved by the IAs including MoW.

Table 4: Average VfM rating by IA including MoW

No	IAs	E_1	E_2	E_3	E_4	Average Vfm	Rating
1	Bagamoyo DC	3	2	3	3	11	Best
2	Bukoba DC	1	2	3	3	9	Good
3	Bukoba MC	3	2	2	2	9	Good
4	DAWASA	3	2	3	2	10	Best
5	Handeni DC	3	3	2	1	9	Good
6	Handeni TM	3	1	1	1	6	Fair
7	Himo DUWSA	3	1	1	1	6	Fair
8	Kagera RS	0	0	1	2	3	Poor
9	Kibaha TC	3	2	2	3	10	Best
10	Kilwa Masoko UWSA	3	1	2	1	7	Good
11	Kisarawe DC	3	2	3	3	11	Best
12	Korogwe DC	3	2	1	1	6	Fair
13	Korogwe UWSA	3	1	2	1	7	Good
14	Lindi MC	3	1	2	0	6	Fair
15	Lindi UWSA	1	0	2	2	5	Fair
16	Maswa DC	3	1	2	1	7	Good
17	Maswa NP	1	2	1	3	7	Good
18	Mombo DUWSA	3	1	2	1	7	Good
19	Moshi DC	3	1	1	1	6	Fair
20	Moshi MC	3	2	1	1	7	Good
21	MoW	3	1	1	2	7	Good
22	Mwanga DC	3	2	2	2	9	Good
23	Mwanza CC	2	2	2	2	8	Good
24	Mwanza UWSA	3	2	3	1	9	Good
25	Pangani WBO	2	0	0	0	2	Poor
26	Rufiji DC	3	1	2	3	9	Good
27	Same DC	2	2	2	2	8	Good
28	Sengerema DC	3	2	0	0	5	Fair
29	Tanga CC	3	2	1	2	8	Good
30	Tanga UWSA	3	2	2	2	9	Good
Average Processes		**3**	**2**	**2**	**2**	**9**	**Good**

Figure 2: VfM rating by Sampled IA including MoW

From the table and chart above, out of 30 IAs including MoW, 4 (13.3%) IAs i.e. Bagamoyo DC, DAWASA, Kibaha TC and Kisarawe DC attained Best VfM rating, 17 (56.7%) attained Good VfM rating, 7 (23.3%) attained Fair VfM rating and 2(6.7%) i.e. Kagera RS and Pangani BWO attained Poor VfM rating.

Overall, the programme investments are being executed cost effectively, with Good rating of Efficiency and Effectiveness. The investments are serving the purpose and those where VFM rating is fair or poor require special attention to improve functionality or make them operational like Bore holes with no pumps or those that have broken down to be repaired. Further improvement can also extended through technical staff strength and training. The details of VfM analysis by investment/activity and corresponding reasons for failure by Implementing Agency are presented in **Annex 1.**

VfM Rating of Investments by Financial Year

The table and chart below shows the VfM performance rating by FY and the performance rating of the sample size.

Table 5: VfM Performance by FY

Financial Year/Rating	Best	Good	Fair	Poor	Total
2007/08	0	5	6	0	**11**
2008/09	3	4	6	0	**13**
2009/10	0	6	4	0	**10**
2010/11	9	9	11	3	**32**
2011/12	5	11	10	5	**31**
Total	**17**	**35**	**37**	**8**	**97**

Figure 3: VfM Performance by FY

From the table and chart above, out of 97 investments sampled, 17 (17.5%) achieved Best VfM rating, 35 (36.1%) achieved Good VfM rating, 37 (38.1%) achieved Fair VfM rating while 8 (8.2%) achieved Poor VfM rating. Overall, the majority of the activities lie between fair and Good VfM rating and FY 2010/11 was the best performing with highest (53%) of the Best rating category.

VfM Performance by Investment/Activity Type

The table and chart below shows the VfM performance by investment /activity type.

Table 6: VfM Performance by Investment Category

Investment Category/Rating	Best	Good	Fair	Poor	Total
Works	8	16	11	1	**36**
Works Consultancy	7	7	7	1	**22**
Goods	1	11	12	1	**25**
CBG	1	1	4	2	**8**
Non-Consultancy	0	0	3	3	**6**
Total	**17**	**35**	**37**	**8**	**97**

Figure 4: VfM Performance by Investment Category

From the table and chart above, the works (contractor/consultant) were the best performing categories with 15 of the 17 investments that achieved Best VfM falling under the categories.

Completion Status VfM Performance

Table 7: VfM Assessment – Completed/On-going Investments

Status/Rating	Best	Good	Fair	Poor	Total
Completed	10	23	24	7	**64**
On-going	7	12	13	1	**33**
Total	**17**	**35**	**37**	**8**	**97**

Figure 5: VfM Analysis – Completed and On-going Investments

From the table and chart above, 15.6% of the completed investments or activities achieved Best VfM rating and 10.9% achieved Poor VfM rating; for

on-going activities, 21.2% are on course to achieve Best VfM rating while 3% are struggling and headed for Poor VfM rating.

Overall Performance by Component

Table 8: Overall VfM Assessment by Component

Component/Rating	Best	Good	Fair	Poor	Total
Component 1	1	0	2	1	**4**
Component 2	11	21	25	7	**64**
Component 3	4	13	7	0	**24**
Component 4	1	1	3	0	**5**
Total	**17**	**35**	**37**	**8**	**97**

Figure 6: Overall VfM Assessment by Component

From the table and chart above, at least each component had an investment or activity that attained a Best VfM rating. The best performing is component 2 with the highest number of investments i.e. 11 of 17 (64.7%) of the ones that attained Best Category rating. This can be explained because the LGDG system has conditionalities that LGAs have to achieve on an annual basis and thus the compliance level was higher than other component areas.

Conclusions

In consideration of the two FYs under review i.e. 2010/11 and 2011/12, there was a sharp decrease in funding despite approved budgets both by GoT and the Development Partners from 86.7% for 2010/11 to 26.7% for 2011/12. This negatively affected the implementation process for the intended investments / activities for the FYs respectively.

Procurement Assessment of Investments/activities implemented by selected IAs including MoW under the WSDP for FYs 2007/08, 2008/09, 2009/10, 2010/11 and 2011/12 reveals that the overall procurement risk rating is

high i.e. 69.1% of the procurements did not comply with Public Procurement Act (PPA) No 21 of 2004 and associated Regulations, 2005.

Social Safeguards Assessment of Investments / activities where they applied reveals that about 49.8% of the investments sampled fulfilled the requirements for social and environmental safeguards while 50.2% did not deliberately integrate requirements for social and environmental safeguards during planning and implementation of the investments. No certifications for EIAs were seen for Category A projects.

The Value for Money Assessment revealed that 17.5% of the sampled investments / activities achieved Best VfM rating, 36.1% achieved Good VfM rating, 38.1% achieved Fair VfM rating while 8.2% achieved Poor VfM rating. The majority of the investments /activities achieved between fair and Good VfM rating. Overall, the planned investments or activity were found to be in place and were executed or being executed within budget, with Good Efficiency and Effectiveness ratings. The projects implemented compared well in cost and technical choice with other similar projects in the region.

In order to ensure better Value for Money is achieved for the future implementation of the programme, it is strongly argued that the recommendations in this report be addressed timely through an action plan set out by the MoW.

CHAPTER 1: INTRODUCTION

1.1 Background

The Ministry of Water (MoW) is implementing a Water Sector Development Programme (WSDP) in a phased approach from 2006–2025, with phase 1 having been extended from June 2012 – 2014. The WSDP is a consolidation of three sub-sector programmes, namely: Water Resources Management; Rural Water Supply and Sanitation; and Urban Water Supply and Sewerage, since 2007. The programme includes also strengthening and building capacity of sector institutions to effectively support implementation of the WSDP.

The WSDP is being implemented through a Sector Wide Approach to Planning (SWAP), to minimise overlaps and duplication of efforts in water resources management and development, as well as in water supply and sanitation service delivery. Unlike in the past where water sector activities were implemented through discrete projects and sub-programmes in selected areas, this programme is simultaneously implemented in all Local Government Authorities (LGAs), Basin Water Offices (BWOs), and invariably all Water Supply and Sanitation Authorities (WSSAs) in the country.

There are four Components under the programme i.e. Component 1 which focuses on the governance of water resources and priority water resources management and development investments; Component 2 focusing on Rural Water Supply and Sanitation; Component 3 focusing on Urban Water Supply and Sanitation; and Component 4 focusing on Institutional Strengthening and Capacity Building.

The Memorandum of Understanding (MOU) signed between the Government of the United Republic of Tanzania (GoT) and Development Partners (DPs) contributing to the Water Sector Basket Fund as well as the Programme Implementation Manual (PIM) provides for the Government to facilitate the carrying out of and annual technical audit (value for money, procurement and safeguards) by an independent consultant under terms of reference that are acceptable to the WSWG and DPs.

The MoU further provides that the independent consultant be appointed through a competitive process in accordance to the procedures set forth in the MoU and the Programme Implementation Manual. It is in this aspect that M/s UPIMAC Consultancy Services was procured to undertake the audit. In addition, the Technical Audit Report is to be submitted by MoW to the Development Partners no later than six months after the end of the fiscal year to which the report relates. However, the report resulting from this assignment is rather late and will cover FYs 2010/11 and 2011/12.

1.2 Objective of the Technical Audit

The overall objectives of carrying out a Technical Audit are to assess the performance of the WSDP funded projects and whether they conform to MoU and Implementation Manual and identify any overlaps and duplication of efforts in all sub-sector programmes and activities in order to:

i) determine whether the allocated resources are being spent cost-effectively and for the intended purpose by all implementing agencies (IAs) including MoW and its Agencies ;
ii) assess compliance of implementation of the programme activities to provisions of the Environmental and Social Management Framework (ESMF) and the Resettlement Policy Framework (RPF); review a list of category A projects and adequate implementation of ESIA/ESMP and RAP in line with the WB safeguard policies;
iii) review adherence to the agreed procurement procedures and processes and value for money aspects, including training and capacity building activities, as well as the outcome of procurement processes and whether these constitute value for money;
iv) assess the performance of each implementing entity (IE), identify the underlying reasons in case of under-performance or non-compliance; and
v) Recommend appropriate mitigation measures that need to be taken.

1.3 Scope of Work

The Consultant made all necessary arrangements to provide a professional opinion on the cost-effective and compliance to agreed WSDP implementation and funds utilization.

The Consultant put in place all organizational and logistical arrangements to implement this assignment. The consultant reviewed the project implementation plan, procurement plan, Interim Financial Report, etc. to check the planning, budgeting, procurement, financial management procedures and proposed any remedial measures. The consultant reviewed the results framework, monitoring & evaluation methodologies, and outcome/output indicators as well as the actual project performances.

The Consultant took into account technical audit results of the WSDP technical audit for the three fiscal years 2007/08, 2008/09 and 2009/10, the CAG Special Audit Report and Financial Audit Reports, as well as other relevant fiduciary and safeguard related reports. The Consultant paid particular attention to those areas, which were identified as weak or risk areas in the audit reports.

The review covered: (i) MoW and its Agencies (Drilling and Dam Construction Agency-DDCA, Maji Central Store, and Water Resources Development

Institute-WRDI), and DAWASA; (ii) not less than 20% of RSs, BWOs, NPs and Regional WSSAs; and (iii) not less than 10% of LGAs District towns and Other Small Towns WSSAs. For each of the selected Implementing Agency (IA), the audit has covered a minimum of 20% of transactions/contracts executed during the FY 2010/11 and 2011/12. The Consultant took sample from: 132 LGAs, 9 BWOs, 19 Regional WSSAs, 109 District and other small town WSSAs, 21 RSs and 7 NPs.

The Consultant assessed training and capacity building activities financed and implemented under component 4 "institutional development and capacity building" or under the components 1, 2 or 3 of WSDP where the trainings were implemented. In addition, the Consultant assessed if the financing of any kind of allowances was in conformity with defined WSDP and Tanzanian rules/regulations as well as relevant Financing Agreements.

The Consultant has visited sites and contacted relevant persons to verify the level of physical completion, quality of works, standard of materials used, and where appropriate the level of community engagement and management capacity, and noted any other characteristic relevant to establish a value for money assessment for the selected sample representing WSDP activities.

Specifically, the technical audit has covered all aspects/components of the WSDP, addressing the following three thematic aspects:

Value for Money Assessment

i) Reviewed the physical and financial progress and identified any incompatibilities, reasons thereof and suggested any remedial measures;

ii) Assessed the appropriateness of both the contract prices for consultancy services as well as of the designs prepared for both rural and urban settings;

iii) Assessed the appropriateness of the contract price to the works and goods as per designs and specifications;

iv) Assessed the project preparation / design process against professional standards (planning and technical expertise involved, participation of relevant stakeholders, conformity with relevant strategies, plans and policies);

v) Assessed the appropriateness of selected technologies in urban and rural water supply schemes in terms of (i) cost effectiveness, (ii) beneficiaries consultation for design selection and financial/in-kind contribution to investment/O&M costs, and (iii) sustainability of invested schemes;

vi) Assessed the quality of operation and maintenance and its impact on sustainability;

vii) Assessed conformity of construction work to the design and specification;

viii) Assessed the value of works as contracted and the value of works actually executed;

ix) Assessed the quality of completed works;

x) Assessed quality of community mobilisation and training, and arrangements for operation and maintenance and their adequacy for sustainable services delivery;

xi) Assessed the effectiveness of supervision by the Consultants, and the Implementing Entities and where appropriate by the Communities;

xii) Regarding the assessment of technical assistance, training and other forms of capacity building measures the Consultant has assessed if the provided training and/or capacity building measure was in conformity with existing job descriptions and defined functions of the respective staff. This assessment has included the judgement on the cost-effectiveness (Where there are better options to provide such training or to access the required expertise). However, not much of capacity building training was conducted in all IAs.

xiii) Reviewed the overall planning, budgeting and fund release procedures as well as actual performances. Proposed any remedial measures to tackle bottlenecks.

xiv) Reviewed the effectiveness of the results framework, M&E procedures and outcome/output performance indicators as well as their use for actual investment planning.

xv) Assessed the accuracy of the list of signed contracts, the contract prices (including Addenda), adherence to payment schedule as well as payment status in comparison with procurement and financial management related reports.

Procurement Assessment

Procurement audit has focus on both elements, which have not been a subject of "prior review" and those, which have been subject to "prior review" and covered the following:

i) Verified adherence to the WSDP procurement procedures and processes and value for money aspects. In this regard, verified the procurement and contracting procedures and processes followed by the implementing

entities in order to determine whether the procurement and contracting arrangements were carried out in accordance with Government Procurement Act. (2004) and its provisions and the WSDP PIM;

ii) Provided a professional opinion on compliance with the general guiding principles of economy and efficiency, equal opportunities, transparency, fairness and verify technical compliance, physical completion and price competitiveness (value for money) of each contract in the selected sample, and whether these processes resulted in cost effective procurement of quality goods and services. Assessed if the WSDP unit costs for works, goods and consultancies were competitive and justified (also against those occurring in a similar context of other MDAs);

iii) Reviewed the process and criteria used to award contracts under the WSDP and verify whether approval by relevant authorities was sought and secured; contract execution was adequately monitored and goods were supplied in the right quantities and as per specifications, works completed according to the technical standards using specified materials, and consultants' outputs delivered timely and are of adequate quality and are commensurate with the contract price paid to consultants;

iv) Reviewed all contract variations to ascertain approval by relevant authorities and adherence to agreed procedures;

v) Reviewed relevant invoices/fee notes received and approved from suppliers and scrutinised relevant contract records;

vi) Reviewed the conformity of the tender board in terms of composition and adherence to defined tendering procedures;

vii) Reviewed the capacity of implementing entities to carry out procurement and to manage contracts in line with defined rules and professional standards. Commented on the quality of procurement and contracting and identified reasons for delays, if any. Determined whether adequate systems are in place for procurement planning, implementation and monitoring. Verified whether documentation is maintained as per required standards;

viii) Validated mitigation measures recommended during assessing the capacity of the implementing entities to carry out procurement and confirmed mitigation measures taken;

ix) Provided a professional opinion on the overall procurement performance at the central (MoW, DAWASA) and other IAs; and

x) Reviewed the overall preparation, updating and monitoring of the Procurement Plan in coordination with the planning, budgeting, Work Plan and fund transfer processes.

Safeguards Assessment

i) Assessed the preparation and implementation of environmental mitigation measures and the extent to which environmental and social impacts of civil works executed are monitored as outlined in the Environmental and Social Management Framework (ESMF) and the Resettlement Policy Framework (RPF);

ii) Assessed the quality, compliance, and timeliness of the preparation and execution of the Environmental and Social Impact Assessment (ESIA) Reports and the Environmental and Social Management Plans (ESMPs) as well as Resettlement Action Plans (RAP) for category A sub-projects that have been prepared and implemented (or being implemented) in line with the World Bank safeguard policies.

ii) Assessed relevance and appropriateness of programme financed interventions to the beneficiaries/communities/schools in addressing priority needs and alleviating water and sanitation problems of each respective community;

iii) Assessed the beneficiaries' perceived benefits and satisfaction derived from the WSDP supported investments;

iv) Assessed the extent to which beneficiary communities interact with implementing entities during preparation and implementation of WSDP supported measures/projects and the extent to which these interactions have impacted on improvements and sustainability of services;

v) Assessed the ability and willingness as well as status of actual contribution of beneficiary communities to; (i) contribute in cash and in kind towards construction of their water supply facilities, (ii) pay for the water and sanitation to cover O & M costs of their facilities and (iii) affordability of the water supply and sanitation service for the poor ;

vi) Assessed beneficiaries' involvement/participation in concept, design, construction and management of their water and sanitation sub-projects.

CHAPTER 2: ASSIGNMENT TECHNICAL APPROACH AND METHODOLOGY

2.1 Technical Approach

The technical audit has covered key areas such as: procurement assessments, value for money assessment and safeguards assessment. Procurement assessment has tested the application of the basic principles of procurement and disposal, selection methods of procurement and management of the procurement requisition and approval; invitation for solicitation, evaluation process; selection for award; contract approval and management; procurement documentation including bidding documents and contract documents; monitoring, control and transparency covering such issues as confidentiality, ethics and conflict of interest; antifraud and anti-corruption; post review and audit, protest and complaint process as well as procurement reporting.

The approach focused on the technical, financial and social aspects of each of the sampled contracts for activities implemented with the intention of measuring their value generating capacity under the headings of economy, efficiency, effectiveness and social safeguards i.e. the four (4) Es, which define Value for Money.

The Finance and Accounting Regulations of Government have guided financial audit further. Value for Money Audit focused on financial issues, costs and savings plus considering such issues like quality, technical aspects of the service and value. Value for Money (VfM) is about providing economic inputs into an efficiently organized system or structure for producing effective services. Therefore, with increasing demand for accountability coupled with increasing resource constraints, the need to account to the public that funds have been spent for the purpose it was intended for becomes inevitable and hence the need for VfM assessment.

The value for money approach involved an analysis of objectives of each contract (for investments or activities implemented) and the inputs, which lead to the conclusion on economy. The approach looked at the link between inputs, processes and outputs, which analyzed the efficiency. The audit analyzed the entire process up to achievement of outcomes, which then determined the effectiveness and finally an analysis of social safeguards issues or concerns on each of the sampled investments.

In undertaking this assignment, the Consultant adopted a participatory approach involving consultations and constructive engagement with all key stakeholders at all levels. These were officials from MoW including the staff of WSDP, sector ministries, Council, Ward and Village/Mtaa Officials and elected representatives, beneficiaries, community members, private sector

providers and other relevant persons identified during the progress of the assignment.

The approach ensured assessment of ownership, general understanding of the processes, roles and relationships, perceptions as a basis for improving coordination and achievement of the WSDP objectives.

This participatory and consultative approach ensured effective communication with all the stakeholders at all levels especially the Ministry of Water at the centre and implementing agencies at the lower level. We have built team spirit to achieve common understanding of the assignment at hand, emphasizing the roles and responsibilities of each and having regular communication and sharing of findings, transfer of knowledge through sharing as well as receiving and jointly agreeing on programmes of work. Generally, the approach to undertaking the audit outlined in the Notification of Audits was sent in advance to the auditees.

The above approach to VfM assessment led the Consultants to identifying weaknesses in the way present procedures were applied and be able to provide recommendations and way forward. The approaches suggested above recognize international best practices as enshrined in the Governments own laws, procedures and regulations regarding procurement of goods and services where the following key principles were followed:

- Ethics and fair dealing
- Accountability and transparency
- Equity or social safeguards
- Fair competition and;
- Value for money

Audit Sample:

The Consultant, according to ToRs sampled a minimum of 20% of RS, BWOs and Regional WSSAs and 10% of LGAs and district towns and Other Small Towns WSSAs. The sampled criteria at this level included geographical coverage, programme component coverage and comprehensiveness of the ToRs. Other consideration included; contiguity – the Consultant ensured that neighbouring IAs were scheduled in the same cluster for the purpose of easing accessibility and saving on movement time between IAs, and cost effectiveness – to minimize costs, the Consultant had scheduled IAs paying attention to their proximities for ease of access. For each selected entity or agency the audit covered a minimum of 20% of transactions/contracts executed in any of the financial years where an IA was not audited, sampling of contracts had gone beyond the stated two (2) FYs to include prior contracts to FY 2010/11. The sampling criteria for the individual contracts sampled included; type and nature of investment undertaken, on-going and completed projects, size of the budget, targeted number of beneficiaries, mode and level of procurement, performance under previous audit and rural/urban set up and value for money. Table 2.1 below shows the number of IAs sampled for audit.

Table 2.1: Audit Sample

Entity	Numbers Nationally	Proposed number for Auditing
RSs	21	5
BWOs	9	3
NPs	7	2
Regional WSSAs	19	5
LGAs	132	16
DUWSAs	109	9
TOTAL	**297**	**40**

The audit sample covered 40 IAs plus MoW and its agencies. The Consultant used four teams to undertake the audit, three of which covered entities outside Dar es Salaam. Team 4 was based in Dar es Salaam, which sampled Ministry of Water Division/Departments and Water Resource Management Institute Dar es Salaam, Prime Minister's Office – Regional Administration and Local Government (PMO-RALG), Ministry of Health and Social Welfare (MoHSW) and Ministry of Education and Vocational (MoEVT).

Below are the 40 entities or implementing agencies that were sampled;

1. **Regional Secretariats**
   1) Kagera
   2) Mwanza
   3) Kilimanjaro
   4) Lindi
   5) Coast

2. **Basin Water Offices**
   1) Internal Drainage Basin Water Office
   2) Rufiji Basin
   3) Pangani Basin

3. **Urban Water & Sewerage Authorities**
   1) Tanga UWSA
   2) Lindi UWSA
   3) Bukoba UWSA
   4) Mwanza UWSA
   5) DAWASA/DAWSCO

4. **National Projects**
   1) Handeni Trunk Main
   2) Maswa National Project

5. District Urban Water Supply Authorities

1) Nansio DUWSA
2) Ngudu DUWSA
3) Mhunze DUWSA
4) Himo DUWSA
5) Mwanga DUWSA
6) Mombo DUWSA
7) Korogwe DUWSA
8) Kilwa Masoko DUWSA
9) Mkuranga DUWSA

6. Local Government Authorities

1) Bukoba MC
2) Bukoba DC
3) Sengerema DC
4) Mwanza CC
5) Maswa DC
6) Moshi MC
7) Moshi DC
8) Same DC
9) Tanga CC
10) Korogwe DC
11) Handeni DC
12) Lindi MC
13) Rufiji DC
14) Kisarawe DC
15) Kibaha TC
16) Bagamoyo DC

2.2 Methodology

The methodologies used were derived from the understanding of the terms of reference, our experience on similar assignments and knowledge of the local environment under which the projects for audit are implemented. In addition, the methodologies were also informed by internationally acceptable best practices for undertaking technical audits.

Meetings:

Various meetings were held before, during and after completion of fieldwork. The Consultant held meetings with MoW key staff, PMO-RALG, MoEVT, MoHSW and DPs. The field teams held meetings in the IAs, which were sampled and at the MoW headquarters.

Literature Review:

The Consultant reviewed a number of documents necessary to complete this assignment successfully. Some of the documents were received from the WDSP, CAG reports and information received from the IAs.

Data Collection Tools:

The Consultant developed key study tools which were endorsed by the client and used in conducting the technical audit of the sampled investments. The tools covered data collection areas such as planning, financial or technical areas of investment such as springs, dams, buildings etc.

Technical Audit:

This constituted the main work of the audit based on site visits to the agencies and sampled projects. The Consultants used focused group discussions with auditees especially facility management committees at community level, structured interviews with key staff for the agencies implementing the projects and ministry programme staff. The Consultant sampled and review contract documents, procurement documents at project and agency level. Under technical audit, the main areas assessed namely; procurement, value for money and safeguards.

Site visits were carried out and physical inspection of facilities undertaken. A range of activities were carried out which included:

- Tender Boards (TBs) and Procurement Management Units were reviewed and their respective capacities assessed. Therefore, the role of implementing agencies were reviewed;
- Assessed whether IAs prepare Annual Procurement Plans and follow them in undertaking procurement activities if not why;
- Assessed whether relevant approvals were secured from the appropriate authorities and whether they were respected. Special

reference were made to the relevant laws, regulations and manuals for purposes of cross checking;

- Determined whether proper terms of reference for each contract were prepared and by the right technical persons. Checked whether the ToR were obtained from the PRRA in accordance with PPA 2004;
- Checked whether proper bidding documents were used in each procurement including checking the method used in procurement and if the evaluation criteria was fair and competitive;
- Determined whether there was transparency and fairness in the entire procurement process by checking whether;
  - Tenders were advertised
  - Queries were responded to
  - Enough time was provided to bidders to prepare and submit their bids.
- Checked whether the procedure for receiving and opening tenders was transparent including the handling of tender documents
- Checked whether negotiations were conducted in accordance with the PPA 2004 and its regulations, letters of awards were issued by a competent authority and if copies of the contracts were signed by a competent authority

The Consultant checked if copies were sent to the appropriate authorities as required;

- Checked whether tender evaluations were conducted in accordance with the evaluation criteria specified in the bidding documents and if the decision of the tender boards were appropriately implemented;
- Checked whether the submissions of reports to PPRA as well as other relevant information were in accordance with the PPA 2004 and its regulations PPR, 2005;
- The Consultant verified whether goods and services were supplied or provided according to the required specifications and technical standards;
- Then the Consultant assessed the efficiency of contract administration focusing particularly on the:
  - Quality control
  - Price fluctuations
  - Time overruns
  - Contract addenda
  - Dispute resolution
  - Payment delays
- Checked the cost of tendering for each contract including:
  - The cost of preparing tender documents
  - Sitting allowances of Tender boards
  - Income secured for the sale of tender documents and lastly;
  - Advertisement costs

The Consultant fully assessed the implementing agencies capacities against set procurement standards for each of the procurements and examined the

internal control measures in place and made appropriate recommendations where necessary

The Consultant noted such weak areas as:

- Poor record keeping and therefore lack of appropriate documents
- Absence of procedures among PMU staff and other key officials
- Commencement of contracts before securing formal approvals and putting the agency and contractors at risk
- Unauthorized signatures and therefore unauthorized payments
- Mix-up of duties, roles and responsibilities
- Poor minuting and records keeping
- Poor or lack of display of tender documents as required in LGAs
- Corruption tendencies and un-authorized payment methods

The Consultant tested whether the regulations, procedures and practices were applied as required.

Value for Money Analysis of Sampled Investments

The Consultant in determining Value for Money, reference was made to factors namely; objectives, impact, outputs, inputs and activities. Value for Money were determined by independently assessing the extent to which an IA operated efficiently, effectively and with due regard to economy taking into consideration environmental and social safeguards factors.

The following figures were compiled, for each of the investments sampled for the audit:

- Budget Cost (BC) - the amount that appeared in the MTEF Budget, or the Engineer's Estimate;
- Contract Price (CP) - the amount which defined the financial consideration or award cost; and
- Actual Cost (AC) - the final total amount paid for the construction/investment including addenda or Variations approved.

Economy (E_1)

Economy is concerned with minimising the cost of resources used for an activity, having regard to appropriate quality; the Consultant captured information on the actual and budgeted cost wherever the information were be available. The scoring for each investment for Economy were subjected to the following evaluations:

Economy Score	**Economy Tests**	
	BC/AC %	CP/AC %
Best (3)	More than 95%	More than 95%
Good (2)	>85 – 95 %	>85 – 95%
Fair (1)	75 – 85%	75 – 85%
Poor (0)	<75%	<75%

Efficiency (E_2)

Efficiency relates to the process through which a project/ activity/ investment underwent and is defined within five stages/processes detailed below.

(i) **Planning and Approval Process;**

The Consultant reviewed the IA's approved Development Plans to assess whether the implemented investments were identified / conceptualized involving beneficiary communities in accordance with budgeting and planning procedures as the case may be.

(ii) **Procurement Process;**

The procurement process applied for each sampled project/investment, which were reviewed including: Advertisement / Notification; tender documentation; Evaluation; and other relevant auditable records up to the awards and /or termination of contracts.

(iii) **Implementation Process;**

Site visits were conducted for sampled projects to check on the quality of works, workmanship, assess the level of supervision and monitoring; quality control measures; and existence of reports on progress of work to assess the supervision capacity both for urban and rural settings. An assessment of beneficiary involvement in implementation was also done.

(iv) **Payment Process (Financial Management);**

The Consultant reviewed documents, receipts; allocations, disbursement and accountability of funds under the program and assessed whether the payment process was in accordance with financial and accounting regulations of the IA.

(v) **Commissioning / Handover Process and sustainability concerns;**

A check were done on whether final inspections were made for completed works and whether the works were publicly handed-over as a way of promoting transparency and accountability and hence community ownership. Ascertained whether sustainability issues were properly addressed and the role of the beneficiaries.

Each of the sampled projects were scored for the five processes above with each process earning 1 mark making a total of 5 marks. For on-going projects or activities and consultancies, commissioning process was not considers and the total marks were out of 4 then converted to the score out of 3. Each investment were scored as having 0, 1, 2 or 3 points corresponding to poor, fair, good or best collectively for the five processes. Therefore, the total score for efficiency were converted to a possible 3 points.

Effectiveness (E_3)

The effectiveness of a project/ activity/ investment were determined on three parameters:

(i) **Quality of Finished Works**

The Consultant checked whether standards / specifications were followed; checked quality of materials and tests; and quality of workmanship.

(ii) **Utilization of Finished project**

An assessment of the investment usage were done from site visits; if for example a water supply system was abandoned, therefore not effective and water supply functioning but water pressure is low and somewhat effective. For on-going activities, this was not assessed and the total score of 2 was converted to 3.

(iii) **Maintenance Arrangements/ Considerations**

A field assessment of the condition of the investments to determine the level of maintenance arrangements in place such as replacement of faulty gate valves, grass cutting around the water facility etc. made. A check made on O&M costs budgeted and executed for sampled investments.

Each of the sampled investments scored for the three parameters above with each parameter earning 1 mark making a total of 3 marks. The effectiveness rating sores are 0 for poor; 1 for fair; 2 for good; and 3 for best.

Social Safeguards (E_4)

The social safeguards level of an investment is determined by checking whether considerations of crosscutting issues were put to consideration e.g. for the disabled (for buildings, consider ramps, for toilets, anchors); environmental assessments conducted, beneficiary communities involvement in project design, implementation; gender and Governance. In summary, the following parameters were looked at:

- Environmental aspects
- Gender issues
- Beneficiary involvement in planning;
- Beneficiary involvement in implementation.

Each of the sampled investments scored for the four parameters above where they applied with each parameter earning 1 mark making a total of 3 marks. The social safeguards rating sores are 0 for poor; 1 for fair; 2 for good; and 3 for best.

Value for Money Rating

This was rated basing on 4 measures:

- ✓ The quality of the investment arising out of the economy assessment;
- ✓ The efficiency with which projects were executed from planning, to implementation through to post implementation including O&M and sustainability concerns;
- ✓ The extent to which the investment met its objectives (effectiveness).
- ✓ The equity / social safeguards considerations.

VfM computed according to the following formula:

$VFM = E_1 + E_2 + E_3 + E_4$, and is rated as

10 - 12 points = Best
7 - 9 points = Good
4 - 6 points = Fair
0 – 3 points = Poor

The maximum score for each of the four Es is out of 3. The maximum VfM score therefore was 12.

Table 2.2: A summary table for VfM Rating will be adopted as below:

Parameter	Calculation	Value	Maximum Value	Remarks
Economy	▪ Budget Amount = ▪ Contract Amount = ▪ Actual Cost = ▪ %ntage within Budget =		**3**	
Efficiency	▪ Planning & Approval Process = ▪ Procurement Process = ▪ Implementation Process = ▪ Payment Process = ▪ Hand-over Process =		**3**	
Effectiveness	▪ Quality of finished works = ▪ Level of Utilisation = ▪ O&M (Sustainability) =		**3**	
Equity / Social Safeguards	▪ Environmental aspects ▪ Gender issues ▪ Beneficiary involvement		**3**	
VfM	**Total**		**12**	

A pronouncement for the VfM rating made basing on the ranges of scores above.

Value for Money Rating of Capacity Building Activities

On the whole, Capacity building activities involving training were not implemented across the IAs. Other CB activities implemented were assessed for value for money basing on the approach above.

The Consultant prepared an audit plan, outlining a structured approach to VfM assessment. The approach ensured both a consistency approach across auditors employed ensuring that all issues are fully covered including:

- A reviewed of the physical and financial progress and identify and shortfalls, reasons thereof and suggest the way forward;
- An assessment of the appropriateness of the contract price to the works, goods and services as per design, specifications and standards
- An assessment of the project design process against profession standards, planning and technical expertise involved, participation of

relevant stakeholders, conformity with relevant strategies, plans and policies
- An assessment of the conformity of construction work to the design and specifications;
- An assessment of the value of works as contracted and the value of works actually executed;
- An assessment of the quality of completed works;
- An assessment of the level of involvement of the communities i.e. the quality of community mobilization and training , and arrangements for operation and maintenance and their adequacy for sustainable service delivery;
- An assessment of the effectiveness of supervision by implementing entities, consultants and where necessary by the communities;
- A review of the provided training/capacity building activities its cost effectiveness and their conformity with existing job descriptions;
- A review of the overall planning, budgeting and fund release procedures against actual performances and providing a way forward where necessary;
- A review of the effectiveness of the results framework, monitoring and evaluation procedures and the outcome /output performance indicators as well as their application for actual investment planning.

- **Procurement Assessment**

The Consultant under this assessment aimed at determining whether the procurement processes that were applied on the project were transparent and accountable and whether they provided adequate competition and fairness to ensure cost effectiveness. The Consultant reviewed the individual investment budgets and work plans and related them to the actual disbursements to ensure that there was no discrepancy among the unit costs that were used to prepare the tender documents to ascertain whether they were realistic given the market conditions at the time.

The Consultant assessed whether the procedures in place were fully applied and whether or not through these processes the capital expenditures were incurred in a cost effective manner and ascertained the base on which these costs were based at the design stages. Through physical inspections on sites, observations and interviews, the Consultant carried out qualitative and quantitative assessments analyzed the data and information collected to obtain an opinion on each projects capital expenditure. The Consultant started with an assessment of procedures from the start and how they evolved overtime and the implications on the investments under audit. The Consultant particularly audited the accounting and reporting arrangements in place by focusing on the quality of the reports and traceability of data like unit costs of infrastructure projects and capacity building. All sampled projects audited based on their tender and contractual documents, site observations and interviews.

Specific activities under this assessment included:

- Verification of adherence to the sector procurement procedures, the WSDP provisions and processes and the value for money aspects. The Consultant determined whether procurement and contracting arrangements were carried out in accordance with the Government Procurement Act (GPA) 2004, World Bank Procedures, sector specific requirement etc. Obtained a professional opinion on compliance with the general guiding principle of economy and efficiency, fairness, transparency and price competiveness of each of the sampled contracts analyze the unit costs of works, goods and consultancies if they were competitive and fair. The Consultant determined whether these processes resulted in cost effective procurement of goods and services and hence value for money.
- Audited the process and criteria for contract awards under the WSDP and verified whether appropriate approvals by a competent authority were obtained prior to contract execution and whether these contracts were properly managed and monitored as per specifications. The Consultant inspected the quality of completed works and review consultant's reports to see if they were supplied on time and the right quantities and standards.
- Assessed how contracts were managed and if there were variations how was the approval handled in relation to the set procedures and what actually caused the variations
- Analyzed the invoices/feed notes received and approved for payment
- Reviewed functionality and composition of PMUs and Tender Boards and adherence to tendering regulations and procedures; reviewed the process of developing a procurement plan.
- Undertook a review of the capacity of the implementing agencies to carry out procurement and manage contracts based on procedures and regulations. Assessed whether adequate systems are in place to ensure planning, management and monitoring of contracts and ascertained whether proper book keeping is in place to safeguard the relevant documents
- Checked if past recommendations on weak areas identified were implemented and if not why
- Then made an opinion on the overall procurement performance at all levels and determined the procurement risk rating since the last audit. Capacity gaps determined at all levels and appropriate recommendations on the way forward made.

- **Safe guards Assessment**

The Social audit for all the sampled contracts conducted within a human rights and people centric perspective.

The aim of this assessment was to ascertain whether the design and implementation of the sampled projects took into account the necessary environmental and social safe guards at community level. The Consultant

knows that the objective of these social safeguards is to promote peoples participation and ownership, prevent and mitigate undue harm to communities and their environment in the development process and will therefore assess whether the planned and implemented projects under audit meet the social safeguards regarding the environment, natural habitats, forests and cultural resources, gender and beneficiary participation.

The Consultant in this assessment attempted to ascertain whether the beneficiaries provided a platform for participation in project design, which is key in building ownership among local populations. The Consultant established whether the Environmental Impact Assessment (EIA) were carried out for the sampled projects as this guides decision making to ensure that project options under consideration are sound and sustainable and that potentially affected people have been properly consulted and issues of conflict especially on land have been properly addressed. The Consultant established whether cultural resources were carefully taken care of during design, implementation, and post implementation of projects. Cultural resources are important as sources of valuable historical and scientific information as assets for economic and social development and as integral parts of people's cultural identity and practices hence, project design and implementation addressed such concerns.

In addition, the Consultant took keen interest during this audit to establish if the implemented projects took into account the conservation of bio-diversity as well as the numerous environmental services and products, which the rich natural habitats provide to local people. Safeguards for gender equity were addressed to ensure that People with Disability (PWD), Youth, and Women all have access to services, facilities and infrastructure created.

From the above analysis, the Consultant addressed the following:

- The actual environmental and social performance of the sampled projects during design, construction and implementation ascertained whether the recommended mitigation measures were put in place and whether this was not done, suggested remedial measures.
- The nature of the ESIA process whether participatory or not for each project undertaken plus the scope of the technical studies and processes adopted. How communication, dissemination and consultations were held. Whether the stakeholders especially Women, Youth, the disabled were involved. The role of LGs, Civil society and religious institutions analyzed as these normally act for and on behalf of the marginalized members of the community.
- The Consultant established whether specific social indicators of success were developed and are currently being used by the stakeholders for each of the projects. What procedures or arrangements are in place to assess the effectiveness of the project

- Established whether the Information Education and Communication (IEC) activities were contributed towards the use of the provided water and sanitation services and whether these services have actually resulted in any impact on the hygiene behaviors among community members
- Established whether the water and sanitation facilities are sustainable i.e. are the communities able to afford the cost and is Operation and Management (O&M) provided for? Are the facilities being utilized as envisaged? And are they well maintained? Does the water facilities created satisfy the people's needs in terms of service level?
- Are there clear arrangements for managing and maintaining the water facilities i.e. are there appropriate arrangements for hygienic use of the facilities and for future maintenance? Are services available in the community for O&M like minor repairs and supply of spare parts like pumps, bolts etc?
- What management structures, monitoring and evaluation mechanisms have been put in place to ensure that the created facilities are utilized for benefit of the community and are continuously improved? Are there mechanisms for securing or obtaining community views and feedback to ensure proper management of the facilities at community level? Who is involved? Are consumers/project beneficiaries involved?
- In ascertaining value for money, the Consultant established the link between payment of contracts at various levels of construction and certification of project deliverables.
- The Consultant established what reporting arrangements exist for Monitoring and Evaluation (M&E) of project effectiveness and ascertained whether lessons learnt are shared and fed into the design of current of future projects.
- Established at facility level, what agreements are in place between the community members (users) and the relevant organizations e.g. WSBs.
- Established the human capacity gaps as far as management of facilities are concerned and made appropriate recommendations to improve quality of service delivery.
- Presence of strong community structures to ensure that plant breakdowns like water pumps, taps etc. and new connections or repairs are put in place. Assessed the legal states of these community Committees, agreements in place regarding their operations e.g. WSBS.
- Analyzed the impacts of resettlement and issue of conflict where applicable.

CHAPTER 3: TECHNICAL AUDIT FINDINGS AND RECOMMENDATIONS

3.1 Overall WSDP Assessment

Reception by the Implementing Agencies, Donors and MoW

The audit teams were received well by the respective Council Directors in case of LGAs, Managing Directors in case of UWSA / BWOs /NPs and MoW Technical staff for all sampled contracts. Briefing of management teams was conducted on schedule and sampling of Investments for audit where transactions were available, was arrived at in a participatory manner considering a set criteria.

Programme Coordination Unit (PCU)

The dialogue mechanism established to enhance coordination of programme activities was found functional, with the 4 technical working groups meeting as required except the steering committee which had sat once in February 2012.

The Programme Coordination Unit (PCU) established at the MoW has a major role as a watchdog to ensure that all IAs and other stakeholders fulfill their commitment to the programme. However, the PCU mandate needs to be strengthened so that decision making is independent to effectively perform their functions. The dialogue mechanism can also benefit from clear schedules of meetings, which are supportive of programme activities and should be strictly followed. Decisions regarding fund and other necessary approvals should be done in time to allow smooth flow of activities on the programme.

De-briefing (Exit) Meeting

In all the audited IAs including MoW, exit meetings were held and were attended by mostly all Management Team members or their representatives. Issues discussed that required Management Responses were signed-off.

Sampling Criteria

In selecting the Investments implemented by the IAs, the following criteria were employed.

- The number of Investments implemented in respective FYs under review i.e. 2010/11 and 2011/12. Where no investments were implemented during the FYs under review, those investments implemented during the programme years before i.e. FYs 2009/10, 2008/09 and 2007/08 were selected and audited;
- Investments which were completed and on-going;
- The total costs of the Investment;
- The Investment category (Works, Works Consultancy, Goods, or CBG);

- The distance from the IA headquarters to the investment.

The Consultant visited 40 IAs including MoW headquarters, MAJI Central Stores, Drilling and Dam Construction Agency and Water Resources Development Institute. The Consultant also made consultations with PMO-RALG and the Development Partners including the World Bank. Thirty (30) IAs including MoW had transactions for investments while 11 IAs did not implement any major activity during the period under review and only spent on operational costs.

In line with the ToRs, all the four components of the WSDP were sampled with the majority being of component 2 for LGA level. The total number of investments or transactions sampled in 30 IAs including MoW and its agencies were 97 of which 64 (66%) were completed and 33 (34%) were on-going. The total number of implemented investments over the years sampled could not be precisely assessed due to poor records keeping and lack of inventories in all IAs (more pronounced in Moshi MC) and MoW headquarters. Table 3.1 and 3.2 below shows the investments sample distribution by financial year and component and investment type.

Table 3.1: Sample distribution by FY

Financial Year	No. of Investment Activities Sampled
2007/08	**11**
2008/09	**13**
2009/10	**10**
2010/11	**32**
2011/12	**31**
Total	**97**

Table 3.2: Sample distribution by Component

Component / Investment Type	**1**	**2**	**3**	**4**
Works	1	29	7	0
Works Consultancy	1	14	6	0
Goods	2	12	11	0
CBG	0	3	0	5
Non-Consultancy	0	6	0	0
Total	**4**	**64**	**24**	**5**

For the period under review, the total amount of budget and corresponding releases is as per the tables below.

Table 3.3: WSDP Budgeted and released funds per FY

FY	**GoT Budgeted**	**GoT Released**	**Donor Budgeted**	**Donor Released**
2010/11	30,721,712,000	25,004,329,071	199,595,495,415	174,576,088,659
2011/12	41,565,045,000	24,749,549,522	435,212,649,007	102,341,943,741

Total Amount Budgeted and Released

Table 3.4: Budgeted and released funds per FY

FY	Budgeted	Released	%ntage Released
2010/11	230,317,207,415	199,580,417,730	86.7
2011/12	476,777,694,007	127,091,493,263	26.7

Figure 3.1: Budgeted and released funds per FY

From the chart above; the budgeted amount steadily increased comparing the two years yet the releases outturn sharply decreased from 86.7% to 26.7% leave alone delays in actual release. This affected the planned investments as they could not be implemented. It was established that delays in disbursement of funds delayed implementation of investments e.g. in Moshi MC.

Government is not disbursing its contribution to the basket fund as per MoU, with less than 70% of the government funds disbursed since the beginning of the program. These affected the planned investments, as they could not be implemented and in some cases left huge balances on IAs accounts by end of FY. CB activities were not implemented under the basket fund arrangement.

The issue of earmarking against, basket funding arrangements worsened equity concerns.

There is need for commitment and adherence to MoU requirements by both the Development Partners and GoT so as to realize the WSDP objectives within the planned timeframe.

The total amount involved for the sampled investments was Tshs 12,382,968,720.56; Pound Sterling 108,489.56; United States Dollars 2,462,329 and Euros 13,170,050 excluding the amount spent on 4

investments whose records could not be obtained as seen in the tables below.

Table 3.5: Contracted amount and spent amount on sampled investments by FY

FY	Contract Price				Amount Spent			
	Tshs	$	£	€	Tshs	$	£	€
2007/08	5,165,155,352	145,225	0	468,771	5,675,458,714.54	149,211	0	539,280
2008/09	180,725,175	1,376,365.50	0	12,516,913.79	246,132,564	819,031	0	11,897,876
2009/10	264,569,458.80	171,508	0	0	253,530,426	117,971	0	0
2010/11	6,813,745,358.18	1,419,290	108,494.45	738,200	3,481,468,627.73	1,253,968	108,489.56	732,894
2011/12	11,930,003,348.50	1,748,992	0	0	3,247,798,035.58	122,148	0	0
Totals	24,354,198,692.48	4,861,380.5	108,494.45	13,723,884.79	12,904,388,367.85	2,462,329	108,489.56	13,170,050

The amount spent on investments was overall within the contracted amounts indicating Best Economy values.

Table 3.6: Number of Investments with no Records on Payments

Implementing Agency	FY	No of Contracts where Money Spent was not availed
Maswa DC	2011/12	1
Mwanza CC	2010/11	1
Pangani WBO	2011/12	1
Sengerema	2011/12	1
Total		**4**

The Review and Audit findings are presented in the following sections. In accordance with the ToRs, there are three thematic aspects of the audit i.e. Procurement Assessment, Safeguards Assessment, and Value for Money (VfM) Assessment. The Procurement and Safeguards assessments are each a function of Value for Money Assessment but for their completeness, they are presented and analyzed separately.

3.2 Procurement Assessment

In accordance with the MoU para 9.1.2, Procurement was supposed to be guided by Procurement Plans, which are updated at least annually. The Procurement Plans were to have the following minimum basic information: package/lot numbers; contract description; procurement method; cost estimates; prior review threshold; proposed start and completion dates. The audit findings indicate that the MoW and all IAs that had procurement plans in place were not annualized as required and thus were static and did not include proposed completion dates.

Para 9.3 of the MoU requires by March 31 of each year, each Implementing Agency to prepare an annual procurement plan based on the rolling three-year work plan referred to in Section 5.1 of the MoU, and submit it to the MoW, for consolidation. The TWG 4 and SC were to review and agree to the consolidated Procurement Plan by May 30 of each year. Any material subsequent revisions to the procurement plan would require the approval of the TWG 4. The MoW was to also furnish relevant stakeholders with progress related information on the execution of the procurement plan as

part of information sharing. There was no evidence that these requirements were met by the Ministry.

Procurement of works, goods, non-consultancy services, and consultancy services under the WSDP are supposed to be done in accordance with the Public Procurement Act (PPA) No 21 of 2004 and associated Regulations that became effective on April 15, 2005. The PIM required that MoW shall publish a Promotional Procurement Notice (PPN) annually in national and local newspapers to promote business opportunities to local contractors and suppliers clearly indicating the likely dates at which bid documents or Request for Proposal documents would be made available. This has not been adhered to by the MoW.

Specific Emerging Issues under Procurement Assessment

Analysis of the level of procurement compliance for 97 investments sampled has been done as seen in the table below by Component and the overall procurement risk is rated.

Table 3.7: Procurement Compliance by Component

Component	Contracted	Force account	Total Procurements	Compliant	Non-Compliant	%ntage Non-Compliance
1	4	0	4	1	3	75.0%
2	57	7	64	20	44	68.8%
3	23	1	24	9	15	62.5%
4	5	0	5	0	5	100.0%
Total	**89**	**8**	**97**	**30**	**67**	**69.1%**

From the table above, out of 97 procurements sampled, 89 (91.8%) implemented activities were contracted out and 8 (8.2%) of the procurements were by force account operations. Force account operations method of procurement was used for activities implemented by Regional Secretariats, BWOs and UWSAs where materials such as pipes and valves have been supplied and the laying is by use of locally hired laborers.

The procurements that were compliant with the Public Procurement Act (PPA) No 21 of 2004 and Regulations, 2005 were 30 (30.9%) while those that were non-compliant were 67 (69.1%). Procurements under component 3 performed better while those under component 4 performed poorly.

The overall procurement risk rating under the programme therefore stands at 69.1% which is high. The following emerging issues have been the causes for non-compliance.

i) Missing procurement plans and where the plans are in place they have not been annualized as required and in other cases there were no evidence of approvals of the procurement plans;

All IAs including Ministry of Water should have updated annual procurements plans which are part of the consolidated 5-year or 3-year plan.

ii) PMUs not keeping auditable records of procurement such as for tender opening etc, more especially at the BWOs, UWSAs, Kagera RS and Sengerema DC. At the MoW however, procurement records were well kept;

iii) In the fiscal year 2010/2011, Singida Internal Drainage BWO Board paid a total of Tshs.9,950,000 (Payment Voucher 4317) to Engineers and Procurement specialists from the MoW to evaluate tenders No. ME-011/2009-10/W/10, ME-011/2009-10/W/9, ME-011/2009-10/W/10, ME-011/2009-10/W/10, ME-011/2009-10/W/12 and ME-01112009-10/W/13 but the evaluation committee did not avail a copy of the evaluation report to the BWO.

The MoW should exercise strict oversight over all IAs to ensure that all procurement records as well as records management in general is improved upon.

iv) PMUs not adequately trained and lack appropriate skills and knowledge regarding the procurement process;

It is recommended that Skills Enhancement Trainings on Procurement of Goods, Works and Services be conducted for all implementing agencies with purposeful capacity building of the PMUs, and Tender Boards.

v) Assessment of the Capacity of some IAs in particular UWSAs and BWOs showed that there was no sufficient capacity to effectively carryout procurement e.g. Lindi UWSA. UWSAs have no established procurement body; the duties of the Water Board in procurement are not well defined;

As a matter of urgency, the technical team at Lindi UWASA should undergo a serious capacity building exercise in procurement, contract management, and records management among others.

vi) Procurement processes are not approved by Tender Boards for most procurements implemented by agencies;

vii) There was no evidence of appointment of Technical Evaluation Committee in a number of Agencies;

viii) Un-approved Variations: There were cases where works have been varied significantly affecting the contract amounts but the variations have not been presented to Tender Board for approval; this has affected the Economy score for VfM as the cost of the finished facility

will have short up beyond budgeted funds. Examples are Tshs.619,092,600 for rehabilitation of water supply works at Lindi UWSA and Tshs.360,000 for extra MDF for rehabilitation of Mosh MC Water Engineer's Office.

ix) The Contract for MIS at MoW contravened PPRA regulations and was illegally procured; another contract for hosting also further emerged contrary to procurement regulations.

x) In Lindi MC, the contract for drilling of deep, exploratory and productive boreholes, Pumping Tests, Development of Productive Boreholes and Capping of wells for Mtange, Tulieni and Mitumbati, Kitunda, Nachingwea and Kitumbikwela, Nanembo, Mmukule and Mchochoro Streets, one bid was received, evaluated and awarded against the Procurement Guidelines stipulated in Section 6 of the WSDP Implementation Manual which among others emphasizes the promotion of open competition among potential suppliers/contractors/consultants.

MoW should ensure that all IAs have a renewed commitment of compliance with Public Procurement Act and Regulations.

xi) Supplies for materials and implements are from un-prequalified suppliers. For example, a total of Tshs.94,048,900 was spent on supply of pipes and fittings at Himo DUWSA through 3 LPOs to one firm (M/s Plasco Limited) which was not pre-qualified;

xii) In some cases, contractors / suppliers have been single-sourced thereby causing lack of competiveness in the bidding/tendering and hence affecting Value for Money;

MoW should ensure that competitive prices are obtained for all supply of goods and services so as to promote Value for Money in the implemented activities.

xiii) Incompetent tender documents including BoQs that exclude considerations for social safeguards;

MoW should ensure that considerations are made to incorporate social safeguards in BoQs where appropriate. This will avoid having multiple contracts by engaging a separate consultant to execute the social safeguards.

xiv) General weakness in stores management systems at all levels (more pronounced for UWSAs and BWOs) except at MoW headquarters; in cases of re-tooling, items have been supplied but there have been weaknesses in the stores management system. Stores procedures have not been fully complied with.

MoW should organize refresher courses that should include stores management procedures for all IAs.

xv) In some IAs, different categories of procurement were lumped together contrary to Section 6.3 of the PIM which stipulates the categories for procurements as: Works, Goods, Consultancy Services and Non consultancy Services. For example in Lindi UWASA, the contract for Rehabilitation/Construction of immediate works for Lindi UWASA" include among others the following:

- Construction of an Engineer's House/Office/Laboratory,
- Supply of office computers and related equipment,
- Supply of two double cabin pickup vehicles,
- Supply and fixing of office furniture.

There is need for the MoW to closely monitor the activities of the IAs and ensure compliance with the guidelines.

xvi) It was also established that there are often delays in procurement caused by poor documents sent for clearance and hence delays in issuance of 'No objections". For example in Bagamoyo DC, the procurement of a Consultant, evaluation was conducted in February 2009 and the 'No objection' was issued on 27th August 2009 which is 6 months later.

MoW should establish quality assurance mechanisms of procurement documents at IAs so as to minimize delays in securing No objections.

xvii) Uncoordinated procurements i.e. procurement of equipment is done and no funds for installation leading to massive delays, e.g. procurement of weather stations equipment for the WBO etc.

There is need for MoW to ensure that Procurement plans are integrated to enhance total use of the investments put in place thus achieving Value for Money.

3.3 Safeguards Assessment

The aim of this assessment was to ascertain whether the design and implementation of the sampled projects or activities took into account the necessary environmental, gender and other social safeguards at community/beneficiary level. By involving beneficiaries in planning and implementation of projects promotes peoples participation and ownership, prevent and mitigate undue harm to communities and their environment in the development process. In particular, four aspects of social safeguards were considered i.e. beneficiary involvement during the planning /design stage; beneficiary involvement during investment implementation; environmental concerns; and gender issues.

In a number of IAs, social safeguards have taken root as far as physical projects are concerned. Most of the public buildings like offices, sanitation toilets etc are equipped with ramps for easy access by disadvantaged groups (see picture). However, yet there is still social safeguards lacking in other aspects like clear demarcations of toilets (female/male), lack of provision of anchors or distinguished stances for the disabled, deliberate planting of shrubs/trees and floors in buildings surrounds, deliberate integration of social safeguards issues in CBG trainings, etc. There has not been cases where environmental compliance certification has been made for category A projects although EIAs were in place. No environmental audits or checks to evaluate whether the mitigation measures were put in place at closure of the project. In some cases however, the designs of the projects catered for the integration of environmental concerns. Contract Specifications had clauses on environmental protection of the sites, provision of sanitary seals and well disinfections and water testing as requirements.

Former Rating Tank New Building with Ramp Access at MoW

There were efforts to integrate HIV/AIDS and Occupation Health and Safety at implementation level in a number of IAs e.g. Kibaha TC (see the picture of project signboard below) and DAWASA Construction of the Kidogozo River Breach Repair Works where laborers were found on site with protective gear that included helmets, gloves and reflective jackets among others. The site was also well labeled with warning tape.

Intergration of HIV/AIDS awaremess in Kibaha TC & OHS standards at Kidogozo River Breach repairs, DAWASA

The table below shows the social safeguards compliance by factor consideration of the total investments or activities where the factor applied.

Table 3.8: Social Safeguards Compliance by factor

Social Safeguard Factor	Total Activities where factor applied	Compliant	Non-Complaint
Beneficiary involvement during Planning Process	95	47	48
Beneficiary involvement during Implementation Process	95	43	52
Environment Concerns (EIAs)	76	34	42
Gender Issues	52	31	21

From the table above, the total activities where the social safeguard factor applied are those activities of the 97 investment activities that were sampled. For example at least 2 activities sampled did not directly require considerations for the social safeguard factors. Therefore the following conclusions can be made on compliance for social safeguards.

Of the 95 activities sampled that required beneficiary involvement during the planning/design process, 47 (49.5%) complied while 48 (50.5%) did not comply.

Of the 95 activities sampled that required beneficiary involvement during implementation process, 43 (45.3%) complied while 52 (54.7%) did not comply.

Of the 76 activities sampled that required environmental concerns including screening and EIAs, 34 (44.7%) complied while 42 (55.3%) did not comply.

Of the 52 activities sampled that required gender considerations including ramps accesses, sanitation facilities demarcations, non-discrimination of sex etc, 31 (59.6%) complied while 21 (40.4%) did not comply.

Overall, about 49.8% of the investments sampled fulfilled the requirements for social safeguards while 50.2% did not deliberately integrate requirements for social safeguards during planning and implementation of the investments.

IAs including MoW and its agencies should ensure that social safeguards are catered for in all investments right from the planning stage, through implementation stage and be duly budgeted for. Environmental audits should be emphasized.

3.4 Value for Money Assessment

The following are emerging issues by process arising from the Value for Money Audit. The procurement process and Safeguards issues have been covered in sections 3.2 and 3.3 above respectively. The details of VfM assessment per investment or activity that was sampled are presented in Annex 1.

3.4.1 Planning and Approval Process

The MTEF plans and budgets for the period under review were found in most of the IAs however in a number of agencies, the MTEF lacked evidence of approvals except for LGAs. For some investment activities, it was found out that there was no evidence of participatory planning involving beneficiaries. There was also inadequate project or investment screening in a number of IAs including MoW. For example, the MoW planned to rehabilitate offices some of which are located in a road reserve i.e. Block B renovation disregarded a warning from Ministry of Works which was received on 17th March 2006 indicating that the block lay in a road reserve; the amount spent on the block is Shs.193,947,760 which is considered nugatory.

In Kisarawe DC, there are issues of land ownership deterring fencing the facilities for the water- drilling of boreholes project. This could have been avoided if the planning process had involved the beneficiaries.

It was established that there was weak functionality of the Water Boards at UWSAs and there is less support from the Ministry in ensuring that the Boards performs their roles as far as planning process is concerned. For example at Mombo UWSA, no minutes of board meetings were kept and thus there was no evidence of approval of the investments implemented.

However for most of the locations of the project sites, they were appropriately planned to the meet the needs of the population.

The table below shows the compliance level under the planning process by Component.

Table 3.9: Planning Process Compliance by Component

Component	Totals	Compliant	Non-Complaint	%ntage Non-compliance
1	4	0	4	100.0%
2	64	33	31	48.4%
3	24	8	16	66.7%
4	5	0	5	100.0%
Total-Investments	**97**	**41**	**56**	**57.7%**

From the table above, of the 97 activities sampled, 41(42.3%) complied with the planning process guidelines involving beneficiaries in a participatory manner while 56 (57.7%) did not comply.

The reasons for non-compliance included but were not limited to lack of evidence of approval of MTEF; non-inclusion of the investment in the MTEF; lack of CNAs for CBG activities; and non-inclusion of the CBG activities in CNAs. All investments sampled under components 1 and 4 did not comply with planning guidelines.

There is need for increased adherence to planning guidelines by all IAs so as to ensure that investments or activities implemented are purposeful and yield Value for Money.

3.4.2 Implementation Process

Implementation of investments or activities entails the path through which an investment/activity undergoes being put up after the procurement process to commissioning for use. For projects, the process involves supervision of works, adherence to specifications, certifications for payments, meetings, quality control, inspection reporting, etc. In case of CBG activities, the process involves invitation of participants, proper management of the training, training evaluations and training report.

There are no integrated M&E plan for internal monitoring of field activities and late reporting by IAs. There is under performance of contracts due to low supervision, monitoring and evaluation as the program does note facilitate adequately the incremental costs.

Incremental costs should be streamlined and properly budgeted for in the work plans; it is suggested that 10% of the work plans cater for supervision related costs and 5% for Monitoring activities thus a total of 15% should be considered so as to effectively implement the investments. This however would apply to capital investments only.

It was established that in a number of Consultancy contracts for technical assistance and exploratory drilling, the responsibility of investigating for productive wells was passed over to contractors and as such a number of trials were found dry e.g. in Kisarawe DC.

The table below shows the compliance level under the implementation process by Component.

Table 3.10: Implementation Process Compliance by Component

Component	Totals	Compliant	Non-Complaint	%ntage Non-compliance
1	4	0	4	100.0%
2	64	10	54	84.4%
3	24	5	19	79.2%
4	5	2	3	60.0%
Total-Investments	97	**17**	**80**	**82.5%**

From the table above, of the 97 activities sampled in all IAs, 17 (17.5%) followed the implementation process as explained above while 80 (82.5%) did not comply. All component 1 activities sampled were not implemented according to expectations. The reasons for non-compliance included but were not limited to:

(i) Certification for Works Done

In all IAs, certification for works done where it has been done has not included measurement sheets for bill items executed which need be endorsed by a technical representative of the Entity or Agency and the works contractor. Even in a few agencies where measurement sheets have been applied, the quantities paid for have been exaggerated i.e. payments have been made for unexecuted quantities causing loss of funds. Final Accounts have not been prepared in all contracts sampled. For example, rehabilitation of offices at MoW headquarters, Block B aluminum windows certified 85m^2 instead of 45m^2 causing an overpayment of Shs.4,400,000; External works amounting to Shs.17,220,000 were not done but certified and paid under Valuation No.7 of 3rd January 2012 Ref: NST/082/01/02.

For supplies, where specifications existed, they lacked proof of certification that the goods delivered meet the requirements.

All works should be certified before payments are executed and detailed measurement sheets should be signed off by the provider and supervisor then attached as a supportive document to the payments.

(ii) Delayed Completion of Works

In all IAs, Contractors/Suppliers/Service Providers have not completed their contracts in the time frame allocated hence affecting activities delivery dates. This is attributed to lack of work programmes, which are not updated often and are non-existent for most of the contracts sampled. In addition delayed payments of advance on contracts have also contributed to delays in completion of works. Most of the consultancies for design and supervision of water schemes have delayed to be completed due to delays in implementation of works by the contractors. Among all selected contracts or investments, only one was implemented within the contract period and was ahead of schedule i.e. drilling boreholes by Victoria Boreholes Drilling Ltd in Kibaha TC.

For all delayed contracts, there was no evidence of charging liquidated damages even when the clause was provided in the contracts for example £10,849 was not charged by MoW on contract for purchase of laboratory chemicals and reagents.

There is need for robust enforcement of work programmes and frequent site meetings to ensure that contractors perform according to scheduled timeframes. Payments due to Contractors should be honoured within contractual time frames. Where Supervision Consultancies have delayed due to delays by the contractors, liquidated damages should be charged on the contractors.

(iii) Substandard Works

Substandard works usually result from non-compliance to specifications. Whereas for some of the activities sampled, the quality of workmanship was good, there are a number of cases where the works implemented were found to have defects and others were implemented contrary to specifications, For example, the apron for DWE building in Krogwe DC was failing due to poor workmanship (see picture); rehabilitation of offices at MoW headquarters: at the rating tank, the specified size of external door was 1.8x3.0m but installed was 1.78x2.4m; plate thickness of 4mm was used instead of 6mm specified, the clear glass thickness installed is 4mm instead of specified 6mm; Under Block E, heavy duty mild external door was installed with clear glass 4mm instead of one-way glass 6mm; the door size supplied was smaller i.e. 1.38x2.75m instead of 1.77x2.75m; Block E, thickness of paneled doors is 39mm instead of 45mm as was specified and the same anomaly was found for Block B.

Cracked apron of the new & un-occupied DWE building in Korogwe DC

Substandard works were also looming for construction of Nyehunge and Kalebezo piped water supply system in Sengerema DC where;

- The blocks being produced at the reservoir site (Nyehunge) looked to be weak and needed to be tested for strength and other relevant parameters before they are used otherwise the reservoir walls may not resist the water pressure at full tank and may cause leakages and thus loss of money.
- The general workmanship exhibited at the block yard is poor as evidenced by the uneven edges and broken edges on most blocks.

- The reservoir (Kalebezo) already exists hence probably no need for a new one. The district water engineer informed the auditors that he had already written to the consultant to review the design of the storage requirements with the existing reservoir in mind.
- The aggregates delivered at the Kalebezo reservoir site are too big with average size of over 35mm. This may lead to low concrete strength due to segregation.

Contractors / suppliers should be compelled to follow specifications and they should be properly supervised to ensure quality works or supplied are delivered which will serve the intended period of performance.

(iv) Weak Supervision

In most IAs, supervision of works has not been adequate and spot-on. There are no inspection reports and where necessary quality tests not conducted which has led to substandard works being executed. The IA staff have done little in overseeing works implemented by contractors / suppliers and have not quality assured Consultants where they were recruited to supervise and manage the works. There is inadequate capacity of Village Management Committee to supervise project implementation and for a number of activities sampled; there was little evidence of beneficiary involvement during activity implementation.

There is need for IAs technical staff to undergo a skills training in managing contracts right from inception to final hand-over / closeout. Investment Service Costs should be used for its rightful purpose.

(v) Lack of Performance Securities

Contracts of reasonable amounts have been implemented by IAs at risk, Where bonds and securities were involved, due to delayed completion of works, the securities have been left un-renewed hence causing a risk of losing money in cases of default by the contractor/supplier/service provider.

There is need for better contract management to instill measures of tracking expiry of important contractual requirements like securities.

3.4.3 Payment Process

In all IAs sampled payments for supplies, services and works have been honoured in reasonable time although there have been remarkable delays for some cases. Late payments especially advance payments have contributed to variations in contracts amounts for both works and consultancies. It was also established that all taxes imposed by Government are exempted on WSDP activities (Tax Exemption letter from Ministry of Finance and Economic Affairs Ref: No. TYC/T/100/49 of 13th August 2009). However, this letter indicated that the exemption was subject to processing

the request with TRA. The auditors did not see the TRA approval of the exemption.

There were also cases of lack of accountability for advanced funds i.e. in Moshi Dc Tshs.1,071,177 meant for fixing solar equipment had no proper accountability and overpayments in quantities of works done i.e. Tshs.7,415,840 for consultancy services for rehabilitation of MoW offices and Tshs.21,620,000 for the works contracts for rehabilitation of the same offices; and Tshs.15,000,000 overpaid to the contractor for drilling in Same DC.

The table below shows the compliance level under the payment process by Component.

Table 3.11: Payment compliance by Component

Component	Totals	Compliant	Non-Complaint	%ntage Non-compliance
1	4	2	2	50.0%
2	64	42	22	34.4%
3	24	20	4	16.7%
4	5	2	3	60.0%
Total-Investments	97	**66**	**31**	**32.0%**

From the table above, of the 97 activities sampled 66 (68%) complied with the payment process financial rules and accounting regulations while 31 (32%) did not comply. Payments made under component 3 were the best performing in terms of compliance with financial regulations.

Reasons for non-compliance included, insufficient supportive documents, for works contracts certification not attached to payment vouchers, payments made not according to schedules specified in the contracts and missing vouchers. The insufficient documents include measurement sheets for work done and in some cases, payment records have been problematic to retrieve. Only scanty records are available which makes it difficult to ascertain whether the investments achieved reasonable VfM.

All payments for activities implemented should follow the payment plan in contracts and should adhere to financial and accounting regulations.

3.4.4 Commissioning /Handover Process

Commissioning, handover or project closeout is a process that marks the end of the Contractors' delivery of services. This process is encouraged in VfM so as to cause contractors deliver quality works not to be afraid of such a ceremony. A contractor who has delivered poor works would not cause a formal public handover but quietly exit while if works are of acceptable good quality, such contractors would be willing and proud of their works. It has

been found out that most of the sampled contracts have not undergone this process and a few have complied clearly marked with plaques or commissioning blocks e.g. Construction of Water Storage tanks and distribution system at Aman [Package I] in Handeni DC. For unmarked facilities, it is a challenge to confirm the source of funding so as to avoid accountability duplications for different programmes. For example in Moshi MC, investments were not labeled and not commissioned including furniture that was procured under the programme.

Of the 97 activities/investments sampled, only 19 had reached commissioning level or were eligible to have been commissioned. Of the 19, 10 activities on investments were publicly handed over representing 52.6% while 9 were not commissioned (47.4%). This shows that there is lack of transparency for most of the implemented activities by IAs. This process however does not apply for CBG training based on the methodology applied.

As a way of promoting transparency and accountability to the population, there is need to ensure that all completed investments are publicly handed over for use.

3.4.5 Operations, Maintenance and Sustainability Arrangements

Operations, maintenance and sustainability process is a crucial process of upholding VfM of investments and ensuring their effectiveness. O&M however in this context applies to investment projects and CBG retooling and not CBG training or Works Consultancies.

Kawawa Booster Station at Lindi UWASA – broken window

Of the 97 investments or activities sampled, 65 were in a category that requires O&M i.e. excluding consultancies and CBG investments. Of the 65 investments, 22 (33.8%) had instituted O&M and sustainability arrangements while 43 (66.2%) lacked the arrangements.

Lack of O&M arrangements is majorly across all IAs with exceptions of Kilwa Masoko UWSA where there were efforts to ensure sustainability as the budget had a provision of Tshs.9,680,000 in FY 2010/11 and Tshs.11,887,794 for FY 2011/12. There was also contribution by the

community towards O&M through payment of monthly bills. In Kibaha TC, O&M was properly arranged for the borehole project at Mwanalugali. No COWSOs were found established in all IAs sampled.

The results indicate that there is a high risk (66.2%) of losing VfM in the investments over time because of lack of beneficiary involvement in their implementation to trigger a mentality of ownership of the facilities and therefore their proper management. Other direct reasons for non-compliance include: Lack of maintenance strategies and plans in most IAs, no provisions for funds for maintenance in the budget and that the community is not mobilized to make contribution to the maintenance of the investment.

For cases where there were budgets for O&M, there have not been specific breakdown or plan to substantiate the amount budgeted for the facility in question. Even when the budgets may indicate O&M, there have been no evidence of execution of O&M and facilities were in dare need for maintenance. This O&M process however does not apply for CBG training and works consultancy based on the methodology applied.

There is need for a deliberate and systematic Capacity Building of the Project Technical Teams, Boards of Directors, Basin Water Boards and other stakeholders like community leaders and the consumers on operation, maintenance and sustainability of investments under their jurisdictions.

3.4.6 Quality of Works/Goods and Services

The quality of works/Goods/Services implemented for investment activities was assessed and used as one of the parameter to score the effectiveness rating. Just like it was highlighted under the implementation process, for some of the projects sampled, the quality of outputs was good, while there are also a number of cases where the activities implemented have been characterized by defects such as cracks in walls, floors and concrete for office construction and sanitation toilets.

The 75,000 liter capacity water tank under construction at Mwanalugali Village – Kibaha TC

Of the 97 activities sampled, quality could only be measured in 96 activities of which 49 (51%) achieved good quality standards while 47 (49%) were of quality ranging from poor to fair.

Completed DWE office at Korogwe DC not utilised

3.4.7 Level of Facility/Equipment Utilisation

A number of facilities put in place like boreholes, offices rehabilitated or constructed, water points, consultancy reports and related outputs etc are being fully utilised but there are also cases where the facilities/equipment are not serving the intended purposes (see pictures). For example, in all IAs, there were no inventories of completed, on-going or stalled projects.

Utilised borehole at Muheza under Tanga UWSA

Of the 97 investments or activities sampled, 77 were of a status requiring to be utilized of which 58 (75.3%) were being utilized while 19 (24.7%) were not being utilized thus not depicting Value for Money.

Facilities/Equipment that were not being utilised include among others:

i) In all IAs, contracts are awarded for drilling productive boreholes and works scope end at capping. Hand pumps fixing is another contract which usually takes a lot of time to implement see pictures below;

Capped borehole at Tulieni Street-Lindi MC & un-capped one in Rau, Moshi MC (No pump)

ii) District Water Engineer's building constructed in Korogwe District Council, fully furnished but not utilized.
iii) Equipment purchase for weather stations and rain water gauges not installed for a long time due to poor planning of not including the installation service in the contract.

It is recommended that onetime all inclusive contracts (with installation of pumps) are considered and solicited so that the facilities achieve VfM at the earliest. Facilities completed and ready for use should be occupied so as to justify VfM.

3.4.8 Utilization of Capacity Building Grant

It was established that there was no Capacity Building activities conducted in the Entities/Agencies in the areas of training and skills development. This was attributed to lack of releases from the center despite having CBG work plans submitted for consideration. This explains the poor performance of the IAs in achieving VfM in their investments. There is no TNA done for the Ministry and no consolidated CB Plan in place. CB activities under earmarked funding by GIZ, JICA etc. were not sampled under the audit.

There is need to provide CBG funds to train staff at agencies in key areas of focus like planning, procurement and contract management so as to ensure VfM is achieved in the implemented activities.

3.4.9 Improper Use of WSDP Funds

It has been found out that in some cases, WSDP funds have been used for non-programme works contrary to implementation guidelines. For example:
i) In Maswa DC, Tshs 36,000,000 (Cheque No.74952) was spent on paying road related activities.
ii) In Mwanza RS, WSDP funds were used for purchase of stationery for the Road Board Sitting and taking the budget proposal to the Constitution and Law Committee.

IAs should ensure that programme guidelines are followed and expenditures are based on approved work plans. The improperly spent funds should be accordingly refunded.

3.5 Value for Money Analysis

The Value for Money (VfM) analysis is an integration of all the findings of the processes above categorized in four parts i.e. Economy (E_1), Efficiency (E_2),

Effectiveness (E_3) and Social Safeguards (E_4) as detailed in Chapter 2 (methodology). I.e. VfM = $E_1 + E_2 + E_3 + E_4$.

A total of 97 investments involving Tshs 12,382,968,720.56; Pound Sterling 108,489.56; United States Dollars 2,462,329 and Euros 13,170,050 excluding the amount spent on 4 investments whose records could not be obtained was assessed for VfM for the period FY2007/08 to 2011/12. The sample distribution by FY is as per the table below.

Table 3.12: Sampled Investments by FY

Financial Year	No. of Investment Activities Sampled
2007/08	**11**
2008/09	**13**
2009/10	**10**
2010/11	**32**
2011/12	**31**
Total	**97**

For on-going investments and consultancy Contracts, VfM was calculated excluding commissioning and handover process and was scored out of 4 instead of 5 processes for efficiency. The VfM score is thus the value at the time and depicts generally the trend the investment is taking. Corrective measures could be taken to ensure VfM is better by the completion time.

3.5.1 Overall VfM Rating by Sampled IAs including MoW

Of the 40 IAs that were visited by the Consultant, only 30 IAs had implemented auditable investments or activities including MoW. The table and chart below shows the average VfM rating achieved by the IAs including MoW.

Table 3.13: Average VfM rating by IA including MoW

No	IAs	E_1	E_2	E_3	E_4	Average Vfm	Rating
1	Bagamoyo DC	3	2	3	3	11	Best
2	Bukoba DC	1	2	3	3	9	Good
3	Bukoba MC	3	2	2	2	9	Good
4	DAWASA	3	2	3	2	10	Best
5	Handeni DC	3	3	2	1	9	Good
6	Handeni TM	3	1	1	1	6	Fair
7	Himo DUWSA	3	1	1	1	6	Fair
8	Kagera RS	0	0	1	2	3	Poor
9	Kibaha TC	3	2	2	3	10	Best
10	Kilwa Masoko UWSA	3	1	2	1	7	Good
11	Kisarawe DC	3	2	3	3	11	Best
12	Korogwe DC	3	2	1	1	6	Fair
13	Korogwe UWSA	3	1	2	1	7	Good

14	Lindi MC	3	1	2	0	6	Fair
15	Lindi UWSA	1	0	2	2	5	Fair
16	Maswa DC	3	1	2	1	7	Good
17	Maswa NP	1	2	1	3	7	Good
18	Mombo DUWSA	3	1	2	1	7	Good
19	Moshi DC	3	1	1	1	6	Fair
20	Moshi MC	3	2	1	1	7	Good
21	MoW	3	1	1	2	7	Good
22	Mwanga DC	3	2	2	2	9	Good
23	Mwanza CC	2	2	2	2	8	Good
24	Mwanza UWSA	3	2	3	1	9	Good
25	Pangani WBO	2	0	0	0	2	Poor
26	Rufiji DC	3	1	2	3	9	Good
27	Same DC	2	2	2	2	8	Good
28	Sengerema DC	3	2	0	0	5	Fair
29	Tanga CC	3	2	1	2	8	Good
30	Tanga UWSA	3	2	2	2	9	Good
Average Processes		**3**	**2**	**2**	**2**	**9**	**Good**

Figure 3.2: VfM rating by Sampled IA including MoW

From the table and chart above, out of 30 IAs including MoW, 4 (13.3%) IAs i.e. Bagamoyo DC, DAWASA, Kibaha TC and Kisarawe DC attained Best VfM rating, 17 (56.7%) attained Good VfM rating, 7 (23.3%) attained Fair VfM rating and 2(6.7%) i.e. Kagera RS and Pangani BWO attained Poor VfM rating.

The details of VfM analysis by investment/activity and corresponding reasons for failure by Implementing Agency are presented in **Annex 1.**

3.5.2 VfM Rating of Investments by Financial Year

The table and chart below shows the VfM performance rating by FY and the performance rating of the sample size.

Table 3.14: VfM Performance by FY

Financial Year/Rating	Best	Good	Fair	Poor	Total
2007/08	0	5	6	0	**11**
2008/09	3	4	6	0	**13**
2009/10	0	6	4	0	**10**
2010/11	9	9	11	3	**32**
2011/12	5	11	10	5	**31**
Total	**17**	**35**	**37**	**8**	**97**

Figure 3.3: VfM Performance by FY

From the table and chart above, out of 97 investments sampled, 17 (17.5%) achieved Best VfM rating, 35 (36.1%) achieved Good VfM rating, 37 (38.1%) achieved Fair VfM rating while 8 (8.2%) achieved Poor VfM rating. Overall, the majority of the activities lie between fair and Good VfM rating and FY 2010/11 was the best performing with highest (53%) of the Best rating category.

3.5.3 VfM Performance by Investment/Activity Type

The table and chart below shows the VfM performance by investment /activity type. The nature of activities funded during the period under review was found to fall under five categories:

i) Works (physical projects implemented, 36 in number);
ii) Works Consultancy (Consultants hire to perform feasibility studies, details designs and supervision of works, 22 in number);
iii) Goods (supply of materials like pipes, valves, furniture, tyres, vehicles etc, 25 in number);
iv) CBG (Capacity building especially hand-on, MIS, studies etc, 8 in number);
v) Non-Consultancy (activities such as monitoring trips at Regional Secretariats, allowances for trips etc, 6 in number).

Table 3.15: VfM Performance by Investment Category

Investment Category/Rating	Best	Good	Fair	Poor	Total
Works	8	16	11	1	**36**
Works Consultancy	7	7	7	1	**22**
Goods	1	11	12	1	**25**
CBG	1	1	4	2	**8**
Non-Consultancy	0	0	3	3	**6**
Total	**17**	**35**	**37**	**8**	**97**

Figure 3.4: VfM Assessment by Investment Category

From the table and chart above, the works (contractor/consultant) were the best performing categories with 15 of the 17 investments that achieved Best VfM falling under the categories.

3.5.4 Completion Status VfM Performance

Table 3.16: VfM Assessment as Completed/Ongoing Investments

Status/Rating	Best	Good	Fair	Poor	Total
Completed	10	23	24	7	**64**
On-going	7	12	13	1	**33**
Total	**17**	**35**	**37**	**8**	**97**

Figure 3.5: VfM Assessment – Completed/On-going Investments

From the table and chart above, 15.6% of the completed investments or activities achieved Best VfM rating and 10.9% achieved Poor VfM rating; for on-going activities, 21.2% are on course to achieve Best VfM rating while 3% are struggling and headed for Poor VfM rating.

Corrective measures should be instituted for the on-going activities to reverse the trend and result into Best or improved VfM rating at completion.

3.5.5 Overall VfM Assessment by Component

Table 3.17: Overall VfM Assessment by Component

Component/Rating	Best	Good	Fair	Poor	Total
Component 1	1	0	2	1	**4**
Component 2	11	21	25	7	**64**
Component 3	4	13	7	0	**24**
Component 4	1	1	3	0	**5**
Total	**17**	**35**	**37**	**8**	**97**

Figure 3.6: Overall VfM Performance by Component

From the table and chart above, at least each component had an investment or activity that attained a Best VfM rating. The best performing is component 2 with the highest number of investments i.e. 11 of 17 (64.7%) of the ones that attained Best Category rating. This can be explained because the LGDG system has conditionalities that LGAs have to achieve on an annual basis and thus the compliance level was higher than other component areas.

3.6 Management Responses

The MoW compiled management responses to the audit issues raised and are presented in Annex 2. The responses are majorly in line with the audit findings and the MoW undertakes to mitigate the anomalies observed by the audit teams. In a few cases however, documentation that was missing at the time of audit has been said to be in place three months later than the audit but does not change the VfM scores as at the time of audit.

CHAPTER 4: CONCLUSIONS

1. In consideration of the two FYs under review i.e. 2010/11 and 2011/12, there was a sharp decrease in funding despite approved budgets both by GoT and the Development Partners from 86.7% for 2010/11 to 26.7% for 2011/12. This negatively affected the implementation process for the intended investments / activities for the FYs respectively.

2. Procurement Assessment of Investments/activities implemented by selected IAs including MoW under the WSDP for FYs 2007/08, 2008/09, 2009/10, 2010/11 and 2011/12 reveals that the overall procurement risk rating is high i.e. 69.1% of the procurements did not comply with Public Procurement Act (PPA) No 21 of 2004 and associated Regulations, 2005.

3. Social Safeguards Assessment of Investments / activities where they applied reveals that about 49.8% of the investments sampled fulfilled the requirements for social and environmental safeguards while 50.2% did not deliberately integrate requirements for social and environmental safeguards during planning and implementation of the investments. No certifications for EIAs were seen for Category A projects.

4. The Value for Money Assessment revealed that 17.5% of the sampled investments / activities achieved Best VfM rating, 36.1% achieved Good VfM rating, 38.1% achieved Fair VfM rating while 8.2% achieved Poor VfM rating. The majority of the investments /activities achieved between fair and Good VfM rating. Completed facilities and activities were in place with 75.3% of them served or were serving their intended purposes. The quality of the total investments or activities sampled ranged from poor to good with the good quality ones being 51%. Overall, the planned investments or activity were executed or being executed within budget, with Good Efficiency and Effectiveness ratings. The projects implemented compared well in cost and technical choice with other similar projects in the region.

In order to ensure better Value for Money is achieved for the future implementation of the programme, it is strongly argued that the recommendations in this report be addressed timely through an action plan set out by the MoW.

CHAPTER 5: CHALLENGES FACED

Poor records keeping on implementation of projects whereby there is a blame game between the MoW and the IAs on who has the project documentation. This affected VfM scores for such activities. In other IAs e.g. Mwanza UWSA, there were delays in obtaining relevant documents even after the agency was informed in advance of the documents to prepare.

There was remarkable delays in information retrieval in a number of IAs e.g. Lindi MC, Lindi UWSA; this was attributed to the fact that most of the respondents were new and those that were around at the time of implementation of the sampled activities had been transferred to other stations.

In some IAs e.g. Lindi UWSA, there was limited access to required documentation on investments/Activities which were reported to have been taken away by the PCCB.

Annex 1: Summary of Findings of all Audited Investments by Sampled Implementing Agency/MoW

Note: 1- Contract amounts and money spent are in Tshs except in those cases where other currencies have been indicated.
2- Where the FYs under review i.e. 2010/11 and 2011/12 are missing, no WSDP funds were received by the entity for that year and thus there was no implemented activity.
3- There are four Components under the programme i.e. Component 1 which focuses on Water Resources Management; Component 2 focusing on Rural Water Supply and Sanitation; Component 3 focusing on Urban Water Supply and Sanitation; and Component 4 focusing on Institutional Strengthening and Capacity Building.

Bagamoyo District Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2010/11	1	1	0	0	1	1	0	0
Total	**1**	**1**	**0**	**0**				
Total Investments Sampled					**1**	**1**	**0**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2010/11	Works Consultancy	2/Completed	Provision of technical and Facilitation services consultancy for rural water supply and sanitation in Bagamoyo DC by M/s Inter Consult Ltd in Association with Kagga & Partners Ltd.	381,950,000	381,950,000	3	2	3	3	11	**Economy:** • 100% contract price was paid. **Efficiency:** • There was no evidence of approval of the bidding method; • No evidence of advertisement; • No evidence of approval of

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											draft contract; • No MIS use in managing procurement issues; • Inadequate staffing of PMU & basic office equipment/space; • Activity was contracted out; • Delayed completion of the assignment by 8 months; **Effectiveness:** • Consultant's report was of good quality, facilities designed are being utilized. **Social Safeguards:** • Social safeguards were adequately addressed. **VfM Statement:** Best
2010/11	Works	2/Completed	Drilling of exploratory and productive Boreholes (Drilling development, pump testing, and capping) for kwamsanja, saadani, Mindutulieni, Magulumatali, Kiharaka, Kaloleni, Milo, Yombo, Makurunge, Mataya, Mapinga, and Talawanda villages in Bagamoyo District by M/s Victoria Boreholes Drilling Ltd.	316,983,800	206,512,650	3	2	2	3	10	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • There was no record of tender opening; • No evidence of approval of draft contract by the relevant authorities; • Activity was contracted out. **Effectiveness:** • No evidence of community contribution to the project; • No evidence of maintenance plans in place. **Social Safeguards:**

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• Social safeguards were adequately addressed.
											VfM Statement: Best
Total / Average						**3**	**2**	**3**	**3**	**11**	**VfM Statement: Best**

Bukoba District Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2008/09	0	1	0	0	0	1	0	0
2011/12	1	0	0	0	1	0	0	0
Total	**1**	**1**	**0**	**0**				
Total Investments Sampled					**1**	**1**	**0**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2008/2009	Works Consultancy	2/Completed	Consultancy services for the design of piped water supply schemes in villages in Bukoba DC by M/s O&A Company Ltd.	$170,215	$86,163 and Tshs.84,054,567	0	2	3	3	8	**Economy:** • Whereas payments seen were within the contract amount i.e. approx. $142,199, other payment vouchers were not availed for review. **Efficiency:** • There were delayed production of the Consultant's outputs by 2 years without approved extension; • All payment vouchers not availed to assess the actual cost of the project. **Effectiveness:** • The quality of the report was good and was utilized during execution of the works contract. **Social Safeguards:**

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• Social safeguards were adequately addressed in the design report. **VfM Statement:** Good
2011/12	Works	2/On-going	Construction of Water Schemes Package 1 & 2 (construction of water reservoir, water distribution line, pump house and some water points) by STC Construction Co. Ltd.	455,970,000	264,407,010	3	2	2	2	9	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • No beneficiary involvement in planning for selection of water points; • The works are behind schedule; • No progress or status reports by the Consultant or Water Engineer. **Effectiveness:** • Sustainability and O&M issues not fully addressed. **Social Safeguards:** • No beneficiary involvement in planning for selection of water points; • There is no evidence of gender issues and beneficiary involvement during implementation. **VfM Statement:** Good
Total / Average						**1**	**2**	**3**	**3**	**9**	**VfM Statement: Good**

Bukoba Municipal Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2010/11	0	0	0	0	0	0	0	0
2011/12	1	1	0	0	1	1	0	0
Total	**1**	**1**	**0**	**0**				
Total Investments Sampled					**1**	**1**	**0**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2011/12	Works Consultancy	2/On-going	Consultancy services for the design and Supervision of Kagondo Ward Piped Water Supply Scheme by M/s O&A Company Ltd.	46,213,616	7,695,000	3	2	2	2	9	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • Consultant has not submitted any progress reports and was not found on any site during the audit inspection; • The consultant has not produced any reports for utilization and for assessment on quality and completeness of reports; • The MC has not signed a memorandum of understanding with communities members on which water points are located. In future they may be denied users access **Effectiveness:**

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• The works have been delayed to be completed so as to be utilized. **Social Safeguards:** • While the social safeguards were adequately addressed in the design report, the consultant has not produced actual implementation reports on the same activities although they have been actualized. **VfM Statement:** Good
2011/12	Works	2/On-going	Construction of Protected Spring at Kagondo Ward (construction of a water reservoir, pumping station, rising main, distribution lines and end user water points) by M/s Gopro Construction Co. Ltd.	236,000,000	69,254,577	3	2	2	2	9	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • The amount of money budgeted for two villages was used for one village (Ref.: MTEF); • Possible delays in completion of works based on progress seen and remaining contractual days i.e. up to 18th February 2013. **Effectiveness:** • Cannot assess utilization since the project is ongoing; • An O&M plan are in place for the community to contribute funds but was

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											not yet actualised.
											Social Safeguards: • No reports on assessment of environmental issues during implementation;
											VfM Statement: Good
Total / Average						**3**	**2**	**2**	**2**	**9**	**VfM Statement: Good**

Dar es Salaam Water and Sewerage Authority (DAWASA):

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2010/11	0	1	0	0	0	1	0	0
2011/12	1	1	0	0	1	1	0	0
Total	**1**	**2**	**0**	**0**				
Total Investments Sampled					**1**	**2**	**0**	**0**

*C is Consultancy; a number of investments were being implemented during FY 2012/13 and were on-going.

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2010/11	Works Consultancy	3/Completed	Consultancy Services for Design review for expansion of the upper Ruvu water treatment plant and design of the transmission by M/s Nicholas O'Dwyer & Company Ltd in Association with M/s Apex Engineering Company Ltd.	€256,994 plus TShs.20,782,125 Addendum €148,350 plus Tshs.21,000,000	€121,247 plus TShs. 14,547,487.5	3	2	3	3	11	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • No receipt issued by the consultant for payments executed; **Effectiveness:** • Consultant's outputs were being utilized in tendering for the Civil works **Social Safeguards:** • Social safeguards were adequately addressed. **VfM Statement:** Best
2011/12	Works Consultancy	3/On-going	Construction Supervision for the Kidogozo River Breach Repair Works by M/s Consulting Engineering Centers in Association with Don Consult Ltd.	$316,000	$92,288	3	2	3	2	10	**Economy:** • No payment had been effected but two fee notes were under processing; • Within contract price and assumed shall not exceed. **Efficiency:**

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• There was no registration of deliveries of EOI. • No evidence of a Register of Tenders received; • No letter of acceptance was seen.
											Effectiveness: • The quality of materials and works was good so far; • O&M strategies were documented in DAWASA business plan 2012.
											Social Safeguards: • No evidence of beneficiary involvement in implementation of the project.
											VfM Statement: Best
2011/12	Works	3/On-going	Kidogozero River Breach Repair Works at Ruvu River in Bagamoyo District by M/s China Hunan Construction Engineering Group Corporation.	3,645,582,000	1,094,379,076	3	3	3	2	11	**Economy:** • Within contract price and assumed shall not exceed.
											Efficiency: • All the processes were so far efficiently executed.
											Effectiveness: • The quality of workmanship and materials was so far good; • O&M arrangements were in place.
											Social Safeguards: • No integration of gender issues and there was limited

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											beneficiary involvement in the implementation of the project.
											VfM Statement: Best
Total / Average						**3**	**2**	**3**	**2**	**10**	**VfM Statement: Best**

Handeni District Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2008/09	5	1	0	0	2	1	0	0
Total	**5**	**1**	**0**	**0**				
Total Investments Sampled					**2**	**1**	**0**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2008/09	Works	2/Completed	Construction of Water Storage tanks and distribution system at Aman [Package I] by M/s Safe Rescue Limited.	69,841,100	64,969,450	3	3	3	2	11	**Economy:** • Within contract price. **Efficiency:** • All processes were followed as required. **Effectiveness:** • Quality of works was good, facilities are utilized and there was a budget for O&M. **Social Safeguards:** • There was no evidence of beneficiary involvement during implementation of the project. **VfM Statement:** Best
2008/09	Works	2/Completed	Construction of Water Storage tanks and distribution system at Kideleko [Package 5] by M/s Gida Limited.	59,261,075	58,064,032	3	3	3	2	11	**Economy:** • Within contract price. **Efficiency:** • All processes were followed as required. **Effectiveness:** • Quality of works was good

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											based on reports, facilities are utilized and there was a budget for O&M. **Social Safeguards:** • There was no evidence of beneficiary involvement during implementation of the project. **VfM Statement:** Best
2008/09	Works Consultancy	2/Completed	Provision of Technical and Facilitation Consultancy Services for Rural Water Supply and Sanitation sub project Phase I by M/s Don Consult Limited.	$219,087.50	Tshs.286,691,110 or $191,127	3	2	1	0	6	**Economy:** • Within contract price. **Efficiency:** • There was no records on procurement were seen at the District Council; • No consultancy outputs or deliverables were seen at the District Council. **Effectiveness:** • Apart from copies of tender documents produced, no other consultancy outputs were seen. **Social Safeguards:** • In the absence of Consultant's reports, it was not possible to assess beneficiary involvement and aspects on environmental requirements. **VfM Statement:** Fair
Total / Average						**3**	**3**	**2**	**1**	**9**	**VfM Statement: Good**

Handeni Trunk Main:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2009/10	3	0	1	0	0	0	1	0
2010/11	1	0	0	0	1	0	0	0
Total	**4**	**0**	**1**	**0**				
Total Investments Sampled					**1**	**0**	**1**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2010/11	Works	3/Completed	Completion of Kitumbi pumping station which involved; supplying 6" [150mm internal diameter] HDPE water pipes with standard length of 12 meters each, to be connected with quick release clamps with shoulders stubs for Kitumbi-Manga water supply project by M/s Tanesco Korogwe, M/s Efam Ltd and Manager HTM.	50,000,000	50,000,000	3	1	1	1	6	**Economy:** • Within budget price, paid in 3 tranches. **Efficiency:** • There was no approval of the annual work plan by the Water Board; • No records on procurement; • No clear work programme. **Effectiveness:** • No evidence of certification of works to ensure quality; • No O&M arrangements. The in-take that serves Tabora treatment plant was silted. **Social Safeguards:** • No records on environmental screening. **VfM Statement:** Fair
2009/10	Goods	3/Completed	Procurement of pipes, fitting, excavation and	20,000,000	19,999,900	3	1	1	1	6	**Economy:** • Spent within budget.

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
			back filling costs for Supply water from Mwananyamala to Kikwajuni by M/s Metro Water Supplies, M/s Kitchare General Supplies and Kiko Investments.								**Efficiency:** • There was no approval of the annual work plan by the Water Board; • No records on evaluation of quotations; • No clear work programme. **Effectiveness:** • No evidence of certification of works to ensure quality; • No O&M arrangements. All 7 treatment chambers were silted and site pump was not functioning at Tabora treatment plant. **Social Safeguards:** • No records on environmental screening. **VfM Statement:** Fair
Total / Average						**3**	**1**	**1**	**1**	**6**	**VfM Statement: Fair**

Himo District Urban Water and Sanitation Authority:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2009/10	0	0	2	0	0	0	2	0
2011/12	0	0	1	0	0	0	1	0
Total	**0**	**0**	**3**	**0**				
Total Investments Sampled					**0**	**0**	**3**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2009/10	Goods	3/Completed	Purchase of UPVC 160mm PN 6-6 meters RR Rubber Rings 160mm -2,760 Meters-460 Pieces by M/s Plasco Limited.	33,892,800	33,892,800	3	1	1	1	6	**Economy:** • Did not exceed contract. **Efficiency:** • There was no annual work plan; • Procurement procedures not followed as the request for quotation was given to only one firm that supplied the goods thus prices were not competitive; • Stores management procedures were not adhered to. **Effectiveness:** • Pipes were laid but not backfilled hence exposing them to likely damage or theft. • No plan for O&M and no User committees in place. **Social Safeguards:**

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• There was no environmental screening and beneficiary involvement in planning. **VfM Statement:** Fair
2009/10	Goods	3/Completed	Purchase of UPVC 160mm PN6-6 mtrs RR Rubber Rings 160mm -2,040 meters -340 pieces by M/s Plasco Limited.	25,051,200	25,051,200	3	1	1	1	6	**Economy:** • Did not exceed contract. **Efficiency:** • There was no annual work plan; • Procurement procedures not followed as the request for quotation was given to only one firm that supplied the goods thus prices were not competitive; • Stores management procedures were not adhered to. **Effectiveness:** • Pipes were laid but not backfilled hence exposing them to likely damage or theft. • No plan for O&M and no User committees in place. **Social Safeguards:** • There was no environmental screening and beneficiary involvement in planning. **VfM Statement:** Fair
2011/12	Goods	3/Completed	Purchase of PVC Pipes and	35,104,900	35,104,900	3	1	1	1	6	**Economy:**

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
			HDPE for Himo Water Project by M/s Plasco Limited.								• Did not exceed contract. **Efficiency:** • The activity was not captured in the MTEF; • No procurement records were available; • Stores management system not adhered to. **Effectiveness:** • Supplies were utilized and some still being utilized; • No plan for O&M and no User committees in place. **Social Safeguards:** • There was no environmental screening and beneficiary involvement in planning. **VfM Statement:** Fair
Total / Average						**3**	**1**	**1**	**1**	**6**	**VfM Statement: Fair**

Kagera Regional Secretariat:

Sample of Investments

FY	No. of Implemented Investments					No. of Sampled Investments				
	Works	Works -C	Non-C	Goods	CBG	Works	Works -C	Non-C	Goods	CBG
2010/11	0	0	27			0	0	2	2	1
2011/12	0	0	32			0	0	4	2	1
Total	**0**	**0**	**59**							
Total Investments Sampled						**0**	**0**	**6**	**4**	**2**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract / Budget Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2010/11	Goods	2/Completed	Purchase of five Tyres for Vehicle Reg. No. STK 6565 (PV No.3/11 FY2010/2011) by M/s Hydery Auto Parts.	0	1,888,000	0	0	3	3	6	**Economy:** • No budget for Tyres. **Efficiency:** • The procurement was not conceptualized and so was not reflected in the MTEF; • The procurement requisition did not indicate the estimated cost amount; • No pre-qualified suppliers • Stores management procedures not followed; • Payment process was not checked by the internal audit department; **Effectiveness:** • Tyres were supplied and used. **Social Safeguards:** • Social safeguards were addressed and implied. **VfM Statement:** Fair

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract / Budget Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2010/11	Non-Consultancy	2/Completed	Data collection from all 8 Districts in Kagera Region (using forms 7, 8 & 9 from MoWI) PV No.1/11 by Water Engineer.	0	960,000	0	0	0	0	0	**Economy:** • Activity had not been budgeted for. **Efficiency:** • The activity was not included in the MTEF and so was not budgeted; • Activity was not in the work plan; • The funds requisition was not made using the standard form issued by PPRA, June 2008; • The report on the data collected was not availed to the auditors for assessment, it cannot be verified whether the activity was conducted or not; • Payment was not sanctioned by audit department; that auditor did know they were supposed to audit WSDP. **Effectiveness:** • In the absence of a report or filled forms, it cannot be concluded that the activity was effective. **Social Safeguards:** • It was unclear whether the forms addressed social safeguards as they were not seen. **VfM Statement:** Poor

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract / Budget Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2010/11	Goods	2/Completed	Purchase of Car Accessories (Spare tyre Stand, Rear tyre cover and Steering wheel cover), and Travel to Mwanza (300 litres of fuel and allowances for 7 days) by Mr. Godfrey Kyaruzi	0	2,157,000	0	0	2	3	5	**Economy:** • Activity for purchase of car accessories had not been budgeted for. **Efficiency:** • The procurement of the car accessories was not planned and was not reflected in the MTEF; • There was no fairness, competition and transparency in the procurement as it is not clear how the supplier was identified; • No pre-qualification list of suppliers in place; • Supplies were not verified; • The payment process was not checked by the internal audit department. **Effectiveness:** • Quality of supplied could not be verified in absence of specifications; • The purchased accessories were being utilized. **Social Safeguards:** • Social Safeguards are implied. **VfM Statement:** Fair
2010/11	CBG	2/Completed	Monitoring and Evaluation Activities in 7 Districts (PV	0	2,190,000	0	1	0	0	1	**Economy:** • Activity was not budgeted

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract / Budget Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
			14/8) by two Officers and a Driver for 14 days.								for. **Efficiency:** • Activity not captured in MTEF and budget as well as work plan; • There was no documentation such as a needs assessment report for this activity; • The payment was not checked by the internal audit department. **Effectiveness:** • The quality of the report was lacking; No list of attendances. • No mechanisms in place tro assess the effect of the activity. **Social Safeguards:** • There is no evidence of community participation since there was no attendance list attached on the report. • Social safeguards not addressed in the report. **VfM Statement:** Poor
2010/11	Non-Consultancy	2/Completed	Repair and Maintenance of Vehicle used by Water Department (PV No.13/8 FY2010/2011) by Taifa Motors Works.	0	839,313	0	0	2	3	5	**Economy:** • Activity was not budgeted for. **Efficiency:** • Activity was not captured in

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract / Budget Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											the Work Plan; • Servicing of the vehicle was done by Taifa Motor Works instead of TEMESA Station as per government directive; • Works were not certified by the relevant professional; • The payment process was not checked by the internal audit department. **Effectiveness:** • The vehicle was in a moving condition although quality of servicing was not evaluated. **Social Safeguards:** • The vehicle is used by all gender, and social safeguards are implied. **VfM Statement:** Fair
2011/12	Non-Consultancy	2/Completed	Maintenance and Service of Vehicle (PV No. 8/5 FY2011/12) – Repair of Air conditioner, fixing rear cover door, general service & lubrications by Temesa Bukoba Garage.	0	2,252,643.75	0	1	0	3	4	**Economy:** • Activity was not budgeted for. **Efficiency:** • Activity was not planned in the MTEF and Work plan; • No certification for works done; • No activity reports were available; • Payment was not checked by the internal auditors. **Effectiveness:**

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract / Budget Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• Effectiveness could not be assessed in the absence of certification documents. **Social Safeguards:** • Social safeguards were implied. **VfM Statement:** Fair
2011/12	CBG	2/Completed	Monitoring and Supervision of Water Projects in the Region (PV No.3/4 FY 20011-2012) by Water Engineer and Driver (21 days	0	3,575,000	0	1	2	0	3	**Economy:** • Activity was not budgeted for. **Efficiency:** • Planning and implementation arrangements of the M&E were lacking as activity is not specific and there are no proper means of verification; • The report lacks community attendance lists; • The report does not show how the RS is empowering the communities so that in future they can be able to stand alone; • The requisition did not show which specific projects were being monitored as some Districts visited had not received funding for projects e.g. Bukoba DC and MC. • Payment process was not examined by internal auditors.

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract / Budget Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											Effectiveness: • No mechanism in place to assess the effect of the activity. **Social Safeguards:** • Environmental and gender issues were not covered as per report availed. • No evidence of beneficiary involvement. **VfM Statement:** Poor
2011/12	Non-Consultancy	2/On-going	Travel to Nairobi for Scholarship Interview of Masters Degree (PV No.9/5 FY 2011/2012) by Water Engineer –Mr. Avitus Exavery.	1,125,400	1,125,400	3	0	0	0	3	**Economy:** • 100% within budget. **Efficiency:** • The activity was reflected in the MTEF but the kind of training is not in line with the PIM Guidelines; • The auditors were not availed a copy of the capacity needs assessment and evidence of participation of other members of staff; • The invitation for the interview indicated that the return air ticket and shuttle service from the airport to the location of the interview or hotel would be provided but the RS also approved and provided the participant with the same. • The payment was not

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract / Budget Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											checked by the internal audit department.
											Effectiveness: • The training is on-going and its effects on the programme could not be assessed in the absence of a mechanism put in place.
											Social Safeguards: • No social safeguards covered under the training.
											VfM Statement: Poor
2011/12	Non-Consultancy	2/Completed	Maintenance and Repair of Motor Vehicle (PV No.4/5 FY2011-2012) by Temesa Bukoba.	0	447,795	0	0	2	3	5	**Economy:** • Activity not budgeted for.
											Efficiency: • The MTEF does not clearly show the activity. • The request forms used do not have estimated costs and there is no proper approval process; • Implementation not in accordance with plan and budget; • No certification of works done by the relevant department; • Payments were made without audit checks.
											Effectiveness: • The quality of service and repair could not be ascertained in the absence

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract / Budget Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											of certification. **Social Safeguards:** • Social safeguards are implied. **VfM Statement:** Fair
2011/12	Goods	2/Completed	Supply of Office Equipment and Accessories (6m of red carpet) by Athman Khasim Athman.	0	270,000	0	0	2	3	5	**Economy:** • Activity was not budgeted for. **Efficiency:** • Activity was not reflected in the MTEF; • The supply was luxurious and not relevant to WSDP objectives; • The procurement was initiated and concluded in the same department without approval of the Accounting Officer; • There was no list of pre-qualified suppliers; • Stores procedures were not followed; • Payment process was not checked by the internal audit department. **Effectiveness:** • No O&M for maintaining the carpet. **Social Safeguards:** • Social safeguards are implied. **VfM Statement:** Fair

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract / Budget Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2011/12	Goods	2/Completed	Supply of a 21 Inch Television Set to Water Engineer's Office by Alphonce Innocent (PV No. 5/5)	0	250,000	0	0	1	0	1	**Economy:** • Activity was not budgeted for. **Efficiency:** • The Activity was not reflected in the MTEF; • The procurement procedure in stores was not followed; • The was no pre-qualification lists of suppliers; • Payment process not checked by the internal audit department; • The supply was luxurious and not relevant to WSDP objectives. **Effectiveness:** • There were no set standard specifications for the procurement; • There was no provision for O&M of the TV in case it breakdown. **Social Safeguards:** • No social safeguards are associated with the TV purchase. **VfM Statement:** Poor
2011/12	Non-Consultancy	2/Completed	Supervision of WSDP Projects in LGAs	0	2,400,000	0	0	0	2	2	**Economy:** • Activity was not budgeted for. **Efficiency:** • The activity was not

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract / Budget Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											conceptualized and so was not included in the MTEF; • No pre-qualified suppliers of fuel and lubricants; • The approved amount for fuel was Tshs 1,200,000 but the actual spent was Tshs 1,770,000; • The capacity of the fuel tank is 90 litres but all receipts show the car consumed 126, 125, 140, 110 and 100 litres of fuel respectively; • The accountability receipts do not indicate the actual mileage travelled; • Payment was not checked by the internal audit department; • There was no evidence of a supervision report and data collected.
											Effectiveness: • In the absence of a report, it is not possible to assess the effectiveness of the activity.
											Social Safeguards: • Some social safeguards are implied to have been addressed but no report.
											VfM Statement: Poor
Total / Average						**0**	**0**	**1**	**2**	**3**	**VfM Statement: Poor**

Kibaha Town Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2010/11	1	1	0	0	1	1	0	0
2011/12	2		0	0	2	0	0	0
Total	**3**	**1**	**0**	**0**				
Total Investments Sampled					**3**	**1**	**0**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2010/11	Works Consultancy	2/On-going	Provision of technical and facilitation services for rural water supply and Sanitation in Kibaha Town by M/s Netwas Tanzania Ltd.	USD 146,990	USD 146,978	3	2	3	3	11	**Economy:** • Within contract price but likely to exceed & thus will be uneconomical. **Efficiency:** • No evidence of approval of the bidding method; • There was no advert for the consultancy; • No notification of award; • No evidence of approval of draft contract; • Activity was contracted out; • No evidence of exploratory drilling done as outlined in the Scope of Works; • Contract was not completed within the specified completion period. **Effectiveness:** • Outputs were of good quality and were utilized;

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• Community trained for sustainability of the investment. **Social Safeguards:** • Social Safeguards were fully addressed. **VfM Statement:** Best
2010/11	Works	2/Completed	Drilling of exploratory and productive boreholes (Pumping Tests, Development of Productive Boreholes and capping) for Viziwaziwa, Sagale, Sofu, Galagaza, Muheza, Saeni, Kidugalo, Vikaweshule, and Mwanalugali mitaa in Kibaha Town Council by M/s Victoria Boreholes Drilling Ltd.	409,922,700	234,387,687	3	2	2	3	10	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • No evidence of approval of the bidding method; • The advert lacked a deadline for submission of bids; • Activity was contracted out; • Contract executed within stipulated period. **Effectiveness:** • Project not yet finalized for use; • There was O&M arrangement from community contributions. **Social Safeguards:** • Social safeguards were adequately addressed. **VfM Statement:** Best
2011/12	Works	2/On-going	Construction of borehole pumped pipe scheme (pump house, pipe work, water tank, water points	233,448,043.40	88,602,895	3	1	2	3	9	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:**

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
			and chambers) for Mwanalugali Street by M/s Global Link General Contractors Ltd.								• There was no evidence that the bidding method was approved by Tender Board; • Activity was contracted out; • Work programme was in place but not followed; • Delayed completion of works (95% as of January 2013); • Not all payments were retrieved.
											Effectiveness: • Water quality tests were conducted but without evidence of approval of the results; • O&M arrangements in place through community contributions. There was a provision of Tshs.2,481,249 in the budget for O&M in addition to community contributions.
											Social Safeguards: • Social safeguards were fully addressed; EIA was conducted, environmental issues addressed, easy access to sites, cleaning of drainages, gender issues, HIV/AIDs interventions.
											VfM Statement: Good
2011/12	Works	2/On-going	Construction of borehole	192,481,135	103,691,909	3	2	2	3	10	**Economy:**

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
			pumped pipe scheme (Pump house, pipe work, water tank, water point and chambers) for Jonugha, Saeni and Zogowale streets by M/s Jeccs Construction & Suppliers Ltd.								• Within contract price and assumed shall not exceed. **Efficiency:** • There was no evidence that CTB approved the bidding method; • No evidence of approval of draft contract; • Delays in procurement purportedly due to delays in securing 'No Objection'; • Activity was contracted out; • Work programme was not followed; • Delayed completion of works (80% as of January 2013). **Effectiveness:** • Works were of good quality and there was evidence of O&M provision; however delayed completion made the facilities being timely unutilized. **Social Safeguards:** • Social safeguards were fully addressed with beneficiary involvement in planning and implementation of the project. **VfM Statement:** Best
Total / Average						**3**	**2**	**2**	**3**	**10**	**VfM Statement: Best**

Kilwa Masoko Urban Water and Sewerage Authority:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2011/12	1	0	0	0	1	0	0	0
Total	**1**	**0**	**0**	**0**				
Total Investments Sampled					**1**	**0**	**0**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2011/12	Works	3/On-going	Rehabilitation of Kilwa Masoko Water Scheme by Force Account i.e. Extension of the Distribution Line, Purchase of Submersible pumps and Servicing of 31KW Generator.	50,000,000	46,676,220	3	1	2	1	7	**Economy:** • Within planned expenditure and assumed shall not exceed. **Efficiency:** • There was no deliberate mainstreaming of social safeguards at the planning stage; • No procurement plan; • Used Force Account procurement; • No record of formal Requests for Quotations sent to suppliers; • Suppliers were not pre-qualified as required; • No record of evaluation of Quotations; • No use of MIS for the procurement; • No specifications and drawings for submersible

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											pumps; • No progress report or any other implementation report was seen; • No certification / verification of supplies received; • No schedule of works for the project. • No beneficiary involvement in implementation of project.
											Effectiveness: • Quality of works & Supplied goods not certified; • O&M and sustainability arrangements were in place. Bills paid monthly.
											Social Safeguards: • No documentary evidence of beneficiary involvement in design and implementation of the project; • No evidence of environmental screening of the project.
											VfM Statement: Good
Total / Average						**3**	**1**	**2**	**1**	**7**	**VfM Statement: Good**

Kisarawe District Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2010/11	1	0	0	0	1	0	0	0
2011/12	0	1	0	0	0	1	0	0
Total	**1**	**1**	**0**	**0**				
Total Investments Sampled					**1**	**1**	**0**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2010/11	Works	2/Completed	Drilling of Exploratory and Productive Boreholes (Drilling, Pump Testing and Capping) for the following villages: Chakenge, Boga, Masaki, Kiluvya A, Vikumburu, Kwala, Kibuta, Msanga, Mafizi, Kiharwe and Chole by M/s Victoria Boreholes Drilling Ltd.	257,081,000	207,041,195	3	1	2	2	8	**Economy:** • Within contract price. **Efficiency:** • There was no evidence for bottom –up participation involving beneficiaries; • No bidders Register and Record of bid opening; • Activity was contracted out; • No evidence of work programme and updates; • Delayed completion of works by 4 months. **Effectiveness:** • Delayed utilization of the facilities due to delayed completion; • Water user committee was in place to ensure O&M. • There are issues of land ownership deterring fencing

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											the facilities.
											Social Safeguards: • No documentary evidence of beneficiary involvement at planning stage.
											VfM Statement: Good
2011/12	Works Consultancy	2/On-going	Provision of Technical and Facilitation Services for Rural Water Supply Station Sub Projects –Phase 1 by M/s Inter Consult in Association with Kagga and Patrners.	354,325,000	212,595,000	3	2	3	3	11	**Economy:** • Within contract price and assumed shall not exceed.
											Efficiency: • No copy of advert seen; • Activity was contracted out; • No evidence of quality assurance of the Consultant's outputs by the Client; • Contract on-going due to delayed implementation of the works contracts; • No evidence of exploratory drilling as was required in consultancy scope.
											Effectiveness: • Progress reports and design outputs all in place; • Consultant met beneficiaries to discuss project concept and O&M issues.
											Social Safeguards: • Social safeguards were fully addressed.
											VfM Statement: Best
Total / Average						**3**	**2**	**3**	**3**	**11**	**VfM Statement: Best**

Korogwe District Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2009/10	1	1	0	0	1	1	0	0
2010/11	1	0	0	0	1	0	0	0
Total	**2**	**1**	**0**	**0**				
Total Investments Sampled					**2**	**1**	**0**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/ Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2009/10	Works Consultancy	2/On-going	Provision of Technical and Facilitation Consultancy Services for RWSS sub project (assist preparation of DWSPs, detailed designs, hydro-geological investigations, tender documents, supervise, mobilize communities) by M/s Don Consult Ltd in Association with REDESO.	$171,508	Tshs.176,956,215 or $117,971	3	2	1	0	6	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • There was no procurement records kept at the Council; • Delayed completion of the consultancy; • No Consultant's report was availed for review. **Effectiveness:** • The tender documents were prepared and used; • In the absence of the Consultant's report, it was difficult to assess the effectiveness of the outputs; **Social Safeguards:** • In the absence of the Consultant's report it was difficult to assess whether

Financial Year	Investment Type	Component/ Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											social safeguards were addressed as required. **VfM Statement:** Fair
2010/11	Works	2/On-going	Drilling of two exploratory and productive boreholes in Changariko and Mnyuzi villages by M/s Victory General Contractors Ltd.	74,099,200	37,035,000	3	2	1	1	7	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • There was delayed completion of works. **Effectiveness:** • Boreholes not yet utilized, they were only capped; • No clearly laid down policy for O&M. **Social Safeguards:** • No evidence that EIA was conducted; • No evidence of beneficiary involvement during implementation of the project. **VfM Statement:** Good
2009/10	Works	2/completed	Construction of District Water Engineer's office block by M/s Coastal Civil Engineering Ltd.	61,931,400	57,487,300	3	1	0	1	5	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • There was no procurement records availed for review; • Cracks seen on the floor and other parts of the building; • No formal handover of the building. **Effectiveness:**

Financial Year	Investment Type	Component/ Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• The building was completed but not being utilized; • There was no clear access to the building; • No O&M arrangements were seen.
											Social Safeguards: • The building lacked ramps for access and the toilets were not marked by gender; • No EIA assessment was conducted.
											VfM Statement: Fair
Total / Average						**3**	**2**	**1**	**1**	**6**	**VfM Statement: Fair**

Korogwe Urban Water and Sewerage Authority:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2007/08	0	0	3	0	0	0	2	0
2008/09	0	0	2	0	0	0	1	0
2009/10	0	0	1	0	0	0	1	0
Total	**0**	**0**	**6**	**0**				
Total Investments Sampled					**0**	**0**	**4**	**0**

*C is Consultancy; No major investments were implemented by the Authority during the period under review.

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2009/10	Goods	3/Completed	Purchase of pipes and fittings (Supplying of 20 pieces of PVC pipes Class D) by M/s Senator Investments Company Limited.	3,960,000	3,960,000	3	1	2	1	7	**Economy:** • Paid quotation price. **Efficiency:** • There was no evidence of bottom-up beneficiary involvement in planning for supply requirements; • No record of evaluation of quotations; • No evidence of certification of supplies to confirm they were in accordance with specifications. **Effectiveness:** • No certification to confirm the quality of supplies; • O&M arrangements were in place. **Social Safeguards:** • No evidence of beneficiary involvement in planning and

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											implementation of the activity.
											VfM Statement: Good
2008/09	Goods	3/Completed	Purchase of pipes and fittings by M/s Abdul M Tanda.	2,158,000	2,158,000	3	1	2	1	7	**Economy:** • Paid quotation price.
											Efficiency: • There was no evidence of bottom-up beneficiary involvement in planning for supply requirements; • No record of evaluation of quotations; • No evidence of certification of supplies to confirm they were in accordance with specifications.
											Effectiveness: • No certification to confirm the quality of supplies; • O&M arrangements were in place.
											Social Safeguards: • No evidence of beneficiary involvement in planning and implementation of the activity.
											VfM Statement: Good
2007/08	Goods	3/Completed	Purchase of Water pipes and fittings (4 pieces sluice valves DE 20mm, 2 pieces of rubber gargets DE 200mm, 2, pieces CI adaptor DE 100mm, 4	56,221,200	46,851,000	3	2	2	2	9	**Economy:** • Paid within budgeted amount.
											Efficiency: • There was no evidence of bottom-up beneficiary

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
			pieces sluice valves DE 100mm, 4 pieces of rubber gasket DE 100mm etc) by M/s Kinando Hardware & Auto parts.								involvement in planning for supply requirements; No evidence of certification of supplies to confirm they were in accordance with specifications. **Effectiveness:** • No certification to confirm the quality of supplies; • O&M arrangements were in place. **Social Safeguards:** • No evidence of beneficiary involvement in planning and implementation of the activity. **VfM Statement:** Good
2007/08	Goods	3/Completed	Purchase of Water pipes and fittings (Supplying of PVC pipes PN 10*100m, 16*75m, 6*200m, 2*100m, 10*150m, 12*150m and Galv pipes 75mm-M, 100m-M and 75m-M) by M/s Senator Investments Company Limited.	54,197,000	54,197,000	3	1	2	1	7	**Economy:** • Paid quotation price. **Efficiency:** • There was no evidence of bottom-up beneficiary involvement in planning for supply requirements; • No record of evaluation of quotations; • No evidence of certification of supplies to confirm they were in accordance with specifications. **Effectiveness:** • No certification to confirm the quality of supplies;

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• O&M arrangements were in place.
											Social Safeguards: • No evidence of beneficiary involvement in planning and implementation of the activity; • No evidence of environmental screen as pipes pass through steep rocky area.
											VfM Statement: Good
Total / Average						**3**	**1**	**2**	**1**	**7**	**VfM Statement: Good**

Lindi Municipal Council:

Sample of Investments

FY	No. of Implemented Investments			No. of Sampled Investments		
	Works	Goods	CBG	Works	Goods	CBG
2010/11	1	0	0	1	0	0
2011/12	1	0	0	1	0	0
Total	**2**	**0**	**0**			
Total Investments Sampled				**2**	**0**	**0**

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2010/11	Works	2/Completed	Drilling of Deep, Exploratory and Productive Boreholes, Pumping Tests, Development of Productive Boreholes and Capping of wells for Mtange, Tulieni and Mitumbati, Kitunda, Nachingwea and Kitumbikwela, Nanembo, Mmukule and Mchochoro Streets in Lindi MC by M/s Victoria Boreholes Drilling Ltd.	109,281,700	76,921,000	3	1	1	1	6	**Economy:** Payments yet within contract amount and assumed will not exceed. **Efficiency:** • There was no documentary evidence of bottom-up participation in the planning process; • No register of Bidders seen; • Only one bid was received & evaluated; • No evidence of approval of draft contract by the Solicitor; • No use of MIS in procurement; • Supervising Consultant's role was irregular as had no approvals for the contract; • Activity was contracted.

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• No evidence of project/Investment committee in place; • Delayed completion of works; • No penalties imposed on the contractor for delays; **Effectiveness:** • No approval of water quality test results; • There was a case of misuse where a cap for a borehole was stolen Mtange Street while the one at Mchochoro was being used before connection to the water storage tank. • Lack of provisions for O&M in the budget or otherwise. **Social Safeguards:** • No documentary evidence of community involvement in implementation and maintenance; • No evidence of implementation of environmental mitigations measures that were proposed. **VfM Statement:** Fair
2011/12	Works	2/On-going	Construction of Borehole – pumped scheme for Nanembo, Mkule and Mchochoro Streets in Lindi	325, 366,589.50	50,000,000	3	1	2	0	6	**Economy:** Within contract price and assumed shall not exceed.

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
			Municipality by M/s Musons Engineers Ltd.								**Efficiency:** • There was no documentary evidence of bottom-up participation in the planning process; • No evidence of adoption of a bidding method; • No register of tenders received and record of tender opening; • No evidence of approval of draft contract by the Solicitor; • Activity was contracted. • No use of MIS in procurement; • Supervising Consultant's role was irregular as had no approvals for the contract; • No evidence of project/Investment committee in place. • Delayed completion of works; • No documentary evidence of community involvement in implementation.
											Effectiveness: • Investments not yet utilized since on-going; • Lack of budget provisions for O&M.
											Social Safeguards:

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• No evidence of active community participation in implementation of the project; • No evidence of implementation of environmental mitigations measures that were proposed. **VfM Statement:** Fair
Total / Average						**3**	**1**	**2**	**0**	**6**	**VfM Statement: Fair**

Lindi Urban Water and Sewerage Authority:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2007 –to date	1	1	0	0	1	1	0	0
Total	**1**	**1**	**0**	**0**				
Total Investments Sampled					**1**	**1**	**0**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/ Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2007 - to date	Works	3/On-going	Rehabilitation of Water supply immediate works in Lindi Urban Water and Sewerage Authority by M/s Jandu Plumbers Ltd.	4,701,472,800	4,529,484,140	2	0	2	1	5	**Economy:** 88.4% when full payment is made including un-approved variation of Tshs.619,092,600. **Efficiency:** • There was no evidence of bottom –up participation involving beneficiaries. • No design report; • Social safeguards not mainstreamed at planning stage; • No Annual Procurement Plans; • Activity was contracted out; • No record of tenders received and of opening; • No notification of award of tender; • No evidence of approval of draft contract; • Signed contract was not seen;

Financial Year	Investment Type	Component/ Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• Un-approved variation for extra works worth Tshs.619,092,600; • Lacked specifications for works e.g. and BoQs for the engineer's house was lumpsum at Tshs.335,000,000 and purchase of 2 vehicles at Tshs.78,000,000; • Work programme was in place but was not adhered to; • No project management committee; • House built was locked at time of audit; • Notable delayed completion of works; • Vehicles purchased lacked full supportive documentation as photocopies of Log Books were in the names of Jandu Plumbers and NOT Lindi UWASA; • Noted that accounting documents had been taken away by the PCCB and no copies were seen.
											Effectiveness: • No quality control tests were seen to have been carried out although visual

Financial Year	Investment Type	Component/ Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											quality assessment of works was good; • No O&M and Sustainability arrangements. **Social Safeguards:** • There was no evidence of bottom –up participation involving beneficiaries. • Social safeguards not mainstreamed at planning stage and no EIA was conducted. **VfM Statement:** Fair
2007 - to date	Works Consultancy	3/On-going	Consultancy Services for Design and Supervision of Lindi UWASA Water Supply Scheme by M/s Serueca in Association with Netwas Tanzania Ltd.	Not in Contract	504,189,895.54	0	0	2	2	4	**Economy:** • Contract did not spell out the amount and payments had no basis. **Efficiency:** • No bottom –up participation involving beneficiaries in concept and design; • No Annual Procurement Plans; • No approval for method of procurement; • No evidence of Tender Board Decision; • No letter of notification of award of tender; • No approval of draft contract; • Signed contract did not spell

Financial Year	Investment Type	Component/ Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											out the contract amount and duration; • Activity was contracted out; • No work programme for the contract; • No evidence that the Consultant's work was quality assured by management; • Original payment records had been seized by PCCB.
											Effectiveness: • No reports on supervision were seen on outputs of the Consultant; • Visual assessment of supervised works -good.
											Social Safeguards: • Whereas the design report addressed the social safeguards, implementation like EIAs was not enforced.
											VfM Statement: Fair
Total / Average						**1**	**0**	**2**	**2**	**5**	**VfM Statement: Fair**

Maswa District Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2010/11	0	0	0	0	0	0	0	0
2011/12	3	1	0	0	3	1	0	0
Total	**3**	**1**	**0**	**0**				
Total Investments Sampled					**3**	**1**	**0**	**0**

*C is Consultancy

Financial Year	Investment Type	Component /Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2011/12	Works	2/On-going	Construction of borehole pumped scheme (pump house, water storage tank, cattle trough, domestic water points, pipes network chambers, supply & installation of submersible pump) for Malampaka village by M/s Audacity Intercom (T) Ltd.	255,530,000	50,000,000	3	2	2	1	8	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • The activity was not in the MTEF and there was no evidence of participatory planning; • Slow progress of works i.e. the project is still under construction with 40% physical progress when time progress is 100%. **Effectiveness:** • The level of utilization will be influenced by the level of participation of users which is lacking; • O&M arrangements are not reflected in the MTEF or otherwise. **Social Safeguards:**

Financial Year	Investment Type	Component /Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• There is no beneficiary participation in the selection of water points; • Environmental issues were handled in the EIA but there was no evidence of beneficiary involvement in implementation. • Other social safeguards like HIV/AIDs and Gender not addressed.
											VfM Statement: Good
2011/12	Works	2/On-going	Construction of borehole pumped scheme (pump house, water storage tank, cattle trough, domestic water points, pipes network chambers, supply & installation of submersible pump and training 2 pump attendants) for Sayusayu village by M/s Audacity Intercom (T) Ltd.	254,164,900	65,457,000	3	2	2	1	8	**Economy:** • Within contract price and assumed shall not exceed.
											Efficiency: • The activity was not in the MTEF and there was no evidence of participatory planning; • Slow progress of works i.e. the project progress report for end of November 2012 was 28% against time lapse of 83%.
											Effectiveness: • The level of utilization will be influenced by the level of participation of users which is lacking; • O&M arrangements are not reflected in the MTEF or otherwise.

Financial Year	Investment Type	Component /Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											Social Safeguards: • There is no beneficiary participation in the selection of water points; • Environmental issues were handled in the EIA but there was no evidence of beneficiary involvement in implementation. • Other social safeguards like HIV/AIDs and Gender not addressed.
											VfM Statement: Good
2011/12	Works	2/On-going	Construction of borehole pumped scheme (pump house, laying transmission & distribution mains, construction of storage tank & community stand pipes) for Mwasai village by M/s Halem Construction Co. Ltd.	318,986,360	40,030,000	3	2	2	2	9	**Economy:** • Within contract price and assumed shall not exceed.
											Efficiency: • Slow progress of works i.e. the project progress was about 40% against time progress of 95%.
											Effectiveness: • The level of utilization will be influenced by the level of participation of users which is lacking; • O&M arrangements are not reflected in the MTEF or otherwise.
											Social Safeguards: • Environmental issues were handled in the EIA but there was no evidence of

Financial Year	Investment Type	Component /Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											beneficiary involvement in implementation.
											VfM Statement: Good
2011/12	Works Consultancy	2/On-going	Consultancy services for the construction supervision of works for the piped water supply system in the three villages of Malakampa, Sayusayu and Mwasayi by M/s Netwas (T) Ltd.	90,510,000	Not availed	0	0	2	2	4	**Economy:** • Payment vouchers were not availed for review.
											Efficiency: • The activity was not in the MTEF and there was no evidence of participatory planning; • No procurement records were seen other than the signed contract; • All supervised works were slow with hardly 50% progress on physical works; • No Consultant staff was found on any of the sites visited;
											Effectiveness: • Except for training pump attendants, the consultancy contract does not have provision and measures of transference of knowledge to district officials both technical and contract management.
											Social Safeguards: • There is no evidence of beneficiary involvement during implementation of

Financial Year	Investment Type	Component /Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											works; • Other social safeguards like HIV/AIDs and Gender not addressed according to progress reports seen.
											VfM Statement: Fair
Total / Average						**3**	**1**	**2**	**1**	**7**	**VfM Statement: Good**

Maswa National Project:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2007/2008	0	1	0	0	0	1	0	0
Total	**0**	**1**	**0**	**0**				
Total Investments Sampled					**0**	**1**	**0**	**0**

*C is Consultancy; the project covered various town including Shinyanga, Kishapu and Maswa Townships.

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2007/08	Works Consultancy	3/Completed	Consultancy Services for the Feasibility Study for Sewerage of the Construction of the Sewerage System for Shinyanga Urban Water & Sewerage Authority (SHUWASA) by M/s Gibb Africa (K) Ltd in Association with Service Plan (Tz), NRCE (USA) and Gibb Mauritius.	€468,771 and Tshs.270,553,485	€539,280 and Tshs.458,025,812	1	2	1	3	7	**Economy:** • 80% economy rating. **Efficiency:** • There was records on the planning process; • No evidence of beneficiary involvement at the planning stage; • The amounts paid to the consultant are much more than the contract amounts and Tshs,37,847,400 was paid as addendum to supervise installation of meters in Shinyanga MC and Kahama Township which was unjustified. The Consultant did not produce any report on the activity. **Effectiveness:** • The design reports were completed in March 2010 but have since not been

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											utilised. The situation on ground might have changed and may result in extra costs for design reviews. • The design reports did not address sustainability issues including technological, financial and economical.
											Social Safeguards: • The design reports adequately covered the social safeguards.
											VfM Statement: Good
Total / Average						**1**	**2**	**1**	**3**	**7**	**VfM Statement: Good**

Mombo District Urban Water and Sanitation Authority:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2009/10	0	0	8	0	0	0	2	0
Total	**0**	**0**	**8**	**0**				
Total Investments Sampled					**0**	**0**	**2**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2009/10	Goods	3/Completed	Purchase of 50 pieces of D1 pipes of Class B by M/s K A & A I.	17,500,000	17,500,000	3	1	2	1	7	**Economy:** • Paid according to LPO. **Efficiency:** • There was no evidence of beneficiary involvement in planning for the need of supplies; • No work plan for activities at the Authority; • No established procurement management; • No list of pre-qualified suppliers; • Stores management system not followed; • No certification for supplies was seen. **Effectiveness:** • Water is not treated thus its quality is compromised; **Social Safeguards:** • No records on environmental screening; • There was no evidence of beneficiary involvement in

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											planning for the need of supplies. **VfM Statement:** Good
2009/10	Goods	3/Completed	Purchase of PVC and HDPE Pipes for Mombo Water Project by M/s Majid General Suppliers Ltd.	4,000,000	4,000,000	3	1	2	1	7	**Economy:** • Paid according to LPO. **Efficiency:** • There was no evidence of beneficiary involvement in planning for the need of supplies; • No work plan for activities at the Authority; • No established procurement management; • Quotations were invited but no evidence of their evaluations; • Stores management system not followed; • No certification for supplies was seen. **Effectiveness:** • Water is not treated thus its quality is compromised; **Social Safeguards:** • No records on environmental screening; • There was no evidence of beneficiary involvement in planning for the need of supplies. **VfM Statement:** Good
Total / Average						**3**	**1**	**2**	**1**	**7**	**VfM Statement: Good**

Moshi District Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2007/08	0	0	4	0	0	0	4	0
2008/09	0	1	0	0	0	1	0	0
2010/11	0	0	1	0	0	0	1	0
Total	**0**	**1**	**5**	**0**				
Total Investments Sampled					**0**	**1**	**5**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2010/11	Goods	2/Completed	Supply of Daylift Solar modules 80W 12V and installation at Mvuleni Water Supply as part of rehabilitation of Mbora, Msiriwa and Owa intakes Gravity scheme in Uru North Water supply by M/s Davis & Shirtliff Arusha	15,506,600	12,754,222	3	1	2	2	8	**Economy:** • Within quotation price. **Efficiency:** • There was no auditable procurement records for the activity; • Request for quotation was sent to only one supplier; • Stores ledger was not seen to confirm management procedures were followed; • Tshs.1,071,177 was advanced to a departmental staff for fixing the equipment but had no proper accountability. **Effectiveness:** • No O&M policy. **Social Safeguards:** • No evidence of beneficiary involvement in planning and

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											implementation of the activity.
											VfM Statement: Good
2008/09	Works Consultancy	2/Completed	Provision of Technical and Facilitation of Consultancy services for Rural Water Supply and Sanitation Sub Project by M/s Ces Consulting Engineers Salzgitter GmbH in Association with Mel Consult Ltd Hamburger.	€75,810	€75,810	3	0	1	0	4	**Economy:** • Did not exceed contract amount although payment vouchers were not availed.
											Efficiency: • There was no evidence of bottom-up planning and beneficiary involvement. • Their activity was not in the MTEF and budget; • CTB minutes for approval of tender not seen; • CTM members appointments were not seen; • No progress reports were seen for the consultancy and no outputs were availed for review other than tender documents; • Payment records were not availed.
											Effectiveness: • In the absence of reports, it was not possible to assess the effectiveness of this activity however some tender documents were seen.
											Social Safeguards:

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• In the absence of activity reports, it was not possible to assess the level of beneficiary involvement during implementation of the Consultancy as well as environmental aspects. **VfM Statement:** Fair
2007/08	Goods	2/Completed	Purchase of water pipes and accessories for Machoneni; Kidia, Kilema Penda by M/s Plasco Limited.	37,713,670	37,713,670	3	0	1	2	6	**Economy:** • Paid quoted price. **Efficiency:** • There was no evidence of bottom-up planning involving beneficiaries; • Request for quotation was to only one supplier; • No records on stores management procedures and whether the supplies were delivered as required; • Payment was not commensurate to the LPO issued. **Effectiveness:** • No evidence of certification of the quality of supplies; • No O&M arrangements in place. **Social Safeguards:** • Supplied were utilized and social safeguards were implied however beneficiary involvement at planning

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											stage was not evident. **VfM Statement:** Fair
2007/08	Goods	2/Completed	Purchase of water pipes and accessories for Extension of Pipeline for Longochi pipeline by M/s Plasco Limited.	7,252,298	7,252,298	3	1	1	1	6	**Economy:** • Paid quoted price. **Efficiency:** • There was no bottom-up participation of beneficiaries from review of village files; • Request for quotation was made to only one supplier hence no competition was allowed; • No other auditable records of procurement on file. **Effectiveness:** • No evidence of certification of supplies; • No O&M arrangements in place. **Social Safeguards:** • No evidence of beneficiary involvement in planning and implementation; other social safeguards are implied. **VfM Statement:** Fair
2007/08	Goods	2/Completed	Supply of materials for construction of Maruweni Borehole of Mabogeni Kahe water supply by M/s Plasco Limited.	32,203,353	32,203,353	3	1	1	1	6	**Economy:** • Paid quoted price. **Efficiency:** • There was no bottom-up participation of beneficiaries from review of

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											village files; • Request for quotation was made to only one supplier hence no competition was allowed; • No other auditable records of procurement on file.
											Effectiveness: • No evidence of certification of supplies; • No O&M arrangements in place.
											Social Safeguards: • No evidence of beneficiary involvement in planning and implementation; other social safeguards are implied.
											VfM Statement: Fair
2007/08	Goods	2/Completed	Purchase of water pipes and accessories for Extension of Pipeline for Mangola – Mande pipeline [pipes and fittings] by M/s Plasco Limited.	5,541,546	5,541,546	3	1	1	1	6	**Economy:** • Paid quoted price.
											Efficiency: • There was no bottom-up participation of beneficiaries from review of village files; • Request for quotation was made to only one supplier hence no competition was allowed; • No other auditable records of procurement on file.
											Effectiveness:

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• No evidence of certification of supplies; • No O&M arrangements in place.
											Social Safeguards: • No evidence of beneficiary involvement in planning and implementation; other social safeguards are implied.
											VfM Statement: Fair
Total / Average						**3**	**1**	**1**	**1**	**6**	**VfM Statement: Fair**

Moshi Municipal Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2008/09	1	1	0	0	1	1	0	0
2009/10	1	0	0	0	1	0	0	0
2010/11	0	0	2	0	0	0	2	0
2011/12	1	0	0	0	1	0	0	0
Total	**3**	**1**	**2**	**0**				
Total Investments Sampled					**3**	**1**	**2**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2011/12	Works	2/Completed	Drilling Exploratory and Productive Borehole (drilling, development, pump testing and capping) for Longuo B Kilimanjaro and Rau in Moshi MC by M/s Maswi Drilling Company Ltd.	239,565,000	69,963,072	3	2	1	2	8	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • There was delay in completion of works; • Delayed payments to the Contractor yet works were completed. **Effectiveness:** • Boreholes not in use because of delayed placement of pumps; • No plan for O&M. **Social Safeguards:** • Environmental mitigation measures to curb surface runoff around the sites were not implemented.

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											VfM Statement: Good
2010/11	Goods	2/Completed	Supply of assorted materials for rehabilitation of Municipal Water Engineer's Office by M/s Matafu Enterprises Services Ltd.	2,716,000	3,076,000	2	2	1	2	7	**Economy:** • 88.3% due to unapproved Variation worth Tshs.360,000. **Efficiency:** • Activity not included in the MTEF; • No evaluation report for three suppliers' quotations; • No records on stores management; • Variation of Tshs.360,000 for 4 extra pieces of MDF was not approved by CTB. **Effectiveness:** • No certification for goods supplied and they were not labeled. • No arrangements for O&M. **Social Safeguards:** • No evidence of beneficiary involvement during implementation of the activity. **VfM Statement:** Good
2010/11	Goods	2/Completed	Procurement of Office furniture and Computer stand for the Water Engineer's Office by M/s Home and Office Furniture Ltd.	2,970,000	2,970,000	3	1	1	3	8	**Economy:** • Paid exact quotation amount. **Efficiency:** • Activity not captured in the MTEF; • No record of evaluation of

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											quotations; • Stores management procedure not properly followed (no stores ledger); • No specifications on quality of goods.
											Effectiveness: • No specifications on expected quality of goods; • Goods were not engraved or marked; • No O&M policy.
											Social Safeguards: • Social safeguards were addressed and implied.
											VfM Statement: Good
2009/10	Works	2/Completed	Extension of Existing Water Supply distribution network in Msaranga and Kiborloni wards and Construction of Public Toilet at Kiborloni Ward by M/s Northern Dor Engineering Ltd.	40,876,892	29,736,192	3	1	2	1	7	**Economy:** • Within contract price and assumed shall not exceed.
											Efficiency: • No procurement plan; • There was no records on appointment of CTB; • No records of Technical Evaluation of bids; • Delayed completion of works; • No official hand-over of works.
											Effectiveness: • No O&M arrangements and by audit time, air-tight inspection covers were

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											cracked. **Social Safeguards:** • There were no provisions for environmental screening in the BoQs; • Stances were not demarcated male/female; • No beneficiary involvement during implementation. **VfM Statement:** Good
2008/09	Works Consultancy	2/On-going	Provision of Technical and Facilitation Consultancy Services for Rural Water Supply and Sanitation Sub project by M/s Netwas Tanzania Limited.	$149,590	Tshs.156,139,050 or $104,093	3	2	1	1	7	**Economy:** Within contract price and assumed shall not exceed. **Efficiency:** • Contract duration was not specified; • No auditable records on procurement; • No records on the Consultant's output reports. **Effectiveness:** • In the absence of Consultant's output and progress reports, it was not possible to assess the effectiveness of the activity; however, tender documents were utilized. **Social Safeguards:** • There was no evidence of beneficiary involvement during implementation of the Consultancy since there

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											were no reports; • No evidence of environmental considerations in absence of reports. **VfM Statement:** Good
2008/09	Works	2/Completed	Drilling Exploratory and Productive Borehole (drilling for water supply in Moshi MC at Mwenge University by M/s Drilling and Dam Construction Agency.	41,320,000	28,741,515	3	2	1	0	6	**Economy:** Paid within contract and budgeted amount. **Efficiency:** • Tender had originally been awarded to M/s Sparr Drilling Company which absconded works and was terminated; • No tangible records on project implementation; • No evidence of hand-over. **Effectiveness:** • Boreholes were not in use; • No plan for O&M. **Social Safeguards:** • There were no records to confirm beneficiary involvement in implementation of the project. **VfM Statement:** Fair
Total / Average						**3**	**2**	**1**	**1**	**7**	**VfM Statement: Good**

Ministry of Water (Headquarters):

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG/C	Works	Works -C	Goods	CBG/C
2009/10	0	1	9	21	0	1	0	0
2010/11	2	0	3	10	1	0	2	3
2011/12	0	0	2	5	0	0	0	1
Total	**2**	**1**	**14**	**36**				
Total Investments Sampled					**1**	**1**	**2**	**4**

*C is Consultancy and the Works were for office construction as part of Strengthening of the general administration of MoW.

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2010/11	CBG	4/On-going	Provision of Consultancy Services for Financial Management Services to the Financial Management Unit of the Ministry of Water by Jean Mary Hayuma.	$96,000	$96,000	3	2	2	3	10	**Economy:** 100% within contract amount. **Efficiency:** • Activity in MTEF but no evidence of approval by the Budget Committee. • Activity not easily traceable in the Annual Budget (Memoranda Ya Mpango Na Bajeti Ya Wizara Ya Maji Na Umwagiliaji). • No Needs Assessment Report although the need was identified as in the Aide memoire for Mid-Term Review and 5th Joint Review Supervision mission (March 22- April 1, 2010). • Activity in Procurement Plan but the plan was not

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											annualized. • Activity was contracted. • Payments not effected in accordance with the contract i.e. payments made adhoc.
											Effectiveness: • No follow-up mechanism for trained staff although there is notable improvement in interim financial reports.
											VfM Statement: Best
2010/11	Supply of Goods	1/Completed	Purchase of Laboratory Chemicals and Reagents for 16 Water Laboratories – Lot 2 Supply of Media and Filter Membrane by M/s High Tech System (T) Ltd.	£108,494.45	£108,489.56	3	1	3	3	10	**Economy:** 100% within contract price. **Efficiency:** • Activity in MTEF but no evidence of approval by the Budget Committee. • Activity in Procurement Plan but the plan was not annualized. • Activity was contracted. • Latest delivery date was 4 months after contract signature i.e. 4th March 2011 but delayed by 14 months and the latest delivery was 6th June 2012. • 10% Liquidated damages amounting to £10,849 not charged.
											VfM Statement: Best

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2011/12	CBG	2/On-going	Provision of Consultancy Services for Assessment of Capacity Building Requirements to enhance Private Sector Participation in the Rural Water Supply and Sanitation Sub-sector by M/s Achrid Limited.	$149,300	$29,860	3	0	1	1	5	**Economy:** • Only 20% payment on Inception report made. It is assumed that maximum payment will not exceed contract amount. **Efficiency:** • No Capacity Needs Assessment report for the need to recruit the Consultant prior to establishing the ToRs; • No evidence of full beneficiary involvement in planning (No documentation to prove so); • Activity is in Procurement Plan but the plan was not annualized; • Activity was contracted; • Form of Contract does not spell out the purpose of the contract and amount (note that the form of contract is not the ToRs). • Contract is silent on payment period and delays; • Delay in procurement procedure i.e. 23rd March 2009 to 10th April 2012 when contract was signed; • No notification of Award. • No progress reports seen so

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											as to enable the Ministry keep track of the Consultancy; • Delayed completion by 6 months by audit time (January 2013); • Two vouchers seen each for Tshs.50,151,064 but one voucher not numbered was not cancelled and approval was up to the last stage; • The Vouchers read for payment of subject of Human Resources and Institutional Development.
											Effectiveness: • The Consultancy has delayed and the only output is the Inventory of Private Sector Providers (October 2012) out of five expected outputs as per contract. • No progress reports in place to assess status of the consultancy.
											Social Safeguards: • Main streaming of Social Safeguards is not clearly spelled out in the Inception Report.
											VfM Statement: Fair
2010/11	CBG (Re-tooling)	4/Completed	Supply of Earth Equipment (Design and Soil Laboratory Equipment) for	163,363,784	136,534,009.8	3	2	1	3	9	**Economy:** 120% within contract amount.
											Efficiency:

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
			Drilling and Dams Construction Agency by High Tech System (T) Limited.								• Activity in MTEF but no evidence of approval by the Budget Committee. • Activity in Procurement Plan but the plan was not annualized. • Activity was contracted. • Contract duration not specified in SCC. • No evidence that the draft contract was reviewed by a Legal expert.
											Effectiveness: • Delayed delivery of goods i.e. 25th May 2011 • No evidence for O&M arrangements.
											Social Safeguards: • Implied and used by all gender
											VfM Statement: Good
2010/11	Supply of Goods	1/Completed	Supply of Automatic Weather Stations and Standard Rain Gauges for MoWI and BWOs by M/s Vaisala Metsales, Finland	€589,850	€611,647	3	0	1	0	4	**Economy:** • 98.04%
											Efficiency: • Contract signed 12th October 2009 • Activity in MTEF but no evidence of approval by the Budget Committee. • Activity not easily traceable in the Annual Budget (Memoranda Ya Mpango Na Bajeti Ya Wizara Ya Maji Na

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											Umwagiliaji). • Activity in Procurement Plan but the plan was not annualized. • Activity was contracted. • Letter of appointment of evaluation committee missing. • Contract SCC lacked duration • No evidence the contract was reviewed by a Legal expert. • Activity for installation and training on site has delayed to be completed. • Payments executed 102% including letter of credit which is outside the norm. • Advance payment made 9th April 2010 after expiry of performance guarantee on 31st March 2010. • Payments did not follow agreed periods i.e. were delayed
											Effectiveness: • A number of supplies delayed to be utilized. • No evidence of O&M
											Social Safeguards: • A number of equipment not yet installed hence

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											beneficiary satisfaction not assessable. **VfM Statement:** Fair
2009/10	CBG (strengthening of General Administration)	4/On-going	Consultancy Services for Supervision of Proposed Rehabilitation and Extension of Office Accommodation to the Ministry of Water and Irrigation by M/s Nosuto Associates.	Shs.15,036,510 Revised to Shs.23,276,332.8	Shs.28,364,540	1	0	2	2	5	**Economy:** • 82.1% • Payment of Shs.7,415,840 PV No.49V10002381 same as for another payment of Shs.11,926,794 (picked from the system but the Voucher for 11.9m was missing. • PV No.49VC8007964 for Shs.9,021,906 was also missing. **Efficiency:** • Planning for Block B disregarded a warning from Ministry of Works received on 17th March 2006 indicating that the block lay in a road reserve; the Consultant supervised the same. • Activity in MTEF but no evidence of approval by the Budget Committee. • Activity not easily traceable in the Annual Budget (Memoranda Ya Mpango Na Bajeti Ya Wizara Ya Maji Na Umwagiliaji). • Activity in Procurement Plan but the plan was not

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											annualized. • Activity was contracted. • The SCC in the original contract did not spell out the payment schedule. • Contract was for 6 months & expired on 9th August 2009; No official EoT was issued until Addendum No.1 signed 30th September 2010. • Payment Valuations have anomalies as noted in payments for the Contractor – Syscon Builders Ltd (see below) • Overpaid by Shs.7,415,840 although 10% of contract amount is pending. Voucher missing.
											Effectiveness: • Poor supervision leading to specifications not being followed by the contractor.
											Social Safeguards: • Ramps at building accesses are installed however there were no instruction for considerations for disabled in the toilets.
											VfM Statement: Fair
2010/11	CBG (strengtheni	4/Completed	Rehabilitation and Extension of Office	Shs.768,552,868 Revised to	Shs.1,018,832,557.43	3	0	1	2	6	**Economy:** • 95.6% Economy score;

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
	ng of General Administration)		Accommodation at MoWI headquarters by M/s Syscon Builders Ltd	Shs.974,510,674.18							• Overpaid by Tshs.44,321,883 **Efficiency:** • Planning for Block B disregarded a warning from Ministry of Works received on 17th March 2006 indicating that the block lay in a road reserve; Amount spent on the block is Shs.193,947,760 • Activity in MTEF but no evidence of approval by the Budget Committee. • Activity not easily traceable in the Annual Budget (Memoranda Ya Mpango Na Bajeti Ya Wizara Ya Maji Na Umwagiliaji). • Activity in Procurement Plan but the plan was not annualized. • Activity was contracted. • Contract expired 7th June 2009 and addendum was approved on 14th September 2010 one year and 3 months after expiry of contract. • At the rating tank, the specified size of external door was 1.8x3.0m but installed 1.78x2.4m; plate thickness of 4mm was used

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											instead of 6mm specified. • Under element 5 – rating tank windows, the clear glass thickness installed is 4mm instead of specified 6mm; • Under Block E, heavy duty mild external door was installed with clear glass 4mm instead of one-way glass 6mm; the door size supplied was smaller i.e. 1.38x2.75m instead of 1.77x2.75m. • Block E, thickness of paneled doors is 39mm instead of 45mm as was specified. • Block B, thickness of paneled doors is 39mm instead of 45mm as was specified. • Block B, aluminum windows certified 85m^2 instead of 45m^2 causing an overpayment of Shs.4,400,000. • External works amounting to Shs.17,220,000 were not done but certified and paid under Valuation No.7 of 3rd January 2012 Ref: NST/082/01/02. • No evidence of public hand-

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											over of works. **Effectiveness:** • Quality of works undermined by not following specifications; • Poor workmanship on one window at rating tank; a few glasses seen cracked. • No evidence of deliberate consideration of O&M budgets and expenditure. **Social Safeguards:** • Ramps at building accesses are installed however there were no considerations for the disabled in the toilets. **VfM Statement:** Fair
2010/11	CBG	4/Completed	Provision of Consultancy Services for the Design Development and Implementation of the Water Sector Development Programme Management Information System by M/s NPK Technologies Ltd	69,750,000	41,850,000	3	1	1	1	6	**Economy:** • Only one (first) payment was seen in the system and it is assumed that payments shall not exceed the contract amount. **Efficiency:** • Activity was not in the MTEF but in the work plan for FY 2010/11; MTEF was also not approved; • No evidence of beneficiary involvement at planning stage; • Original contract was for Design and Implementation

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											of Computerised Document Management System which went through the normal procurement signed on 27th July 2009 (Tshs.53,185,000) for up to 30th August 2010. • The Contract for MIS was signed 20th August 2010; • Another contract for backup hosting service for 12 months at a cost of Tshs.9,175,340.16 also emerged and was passed by the Ministerial TB. This should have been an addendum; • The Ministerial Tender Board Approval forms read: "…..permitted further processing of signing the contract with the winning consultancy", signed by Secretary. But there was no competitive tendering! • Bi-weekly progress reports as required by ToRs were not seen; • Other reports not seen include: System operationalisation & maintenance; System implementation and roll-out project report; system testing and initial data

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											report; system development report.
											Effectiveness: • MIS network speeds are too low; • MoHSW as well MoETV cannot use the system to monitor and supervise their activities being implemented by LGAs as required; • MIS is not integrated to include other existing systems especially in LGAs.
											Social Safeguards: • There was no evidence of a wide involvement of beneficiaries during implementation of the MIS; • Environmental data was not integrated in the system.
											• **VfM Statement:** Fair
Total / Average						**3**	**1**	**1**	**2**	**7**	**VfM Statement: Good**

Mwanga District Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2009/10	1	0	0	0	1	0	0	0
2010/11	1	1	0	0	1	1	0	0
Total	**2**	**1**	**0**	**0**				
Total Investments Sampled					**2**	**1**	**0**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2010/11	Works	2/Completed	Drilling of Exploratory and Productive Boreholes for Water Supply in Mwanga DC [Kisangala, Mgagao B, Kisanjuni, Msangeni, Shighatini, Lomwe, Vuagha and Tolaha by M/s Maji Tech Engineering Ltd.	336,770,000	279,640,178	3	2	2	1	8	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • There was no CTB approval of the bidding method; • No notification of award of tender. **Effectiveness:** • No O&M arrangements were seen to be in place after completion of the project. **Social Safeguards:** • There was no evidence that beneficiaries were involved in planning and implementation of the project; • No EIA statement was seen. **VfM Statement:** Fair

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2010/11	Works Consultancy	2/Completed	Provision of Technical and Facilitation Consultancy Services for RWSS Phase I by M/s Howard Humphreys (Tz) Ltd.	$149,500	Tshs.236,802,800 or $157,868	2	2	3	3	10	**Economy:** • 94.7%; the amount paid was in excess of budget. **Efficiency:** • There was no procurement record kept at the District. **Effectiveness:** • The consultancy outputs were utilized and addressed all the expected outputs. **Social Safeguards:** • Social safe guards were addressed during implementation of the Consultancy. **VfM Statement:** Best
2009/10	Works	2/Completed	Finishing the construction of demonstration latrine at Vudoi Secondary School by M/s Coastal Civil Engineering Ltd.	3,950,834	3,950,834	3	2	2	1	8	**Economy:** • No excess payments made. **Efficiency:** • There was no records on procurement process; • No formal hand-over of finished works. **Effectiveness:** • The waterborne toilet was in use but without running water; • No O&M arrangements and the surroundings were bushy. **Social Safeguards:** • Social safeguards were not fully addressed; there was

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											no clear demarcation of female and male stances; • No evidence of beneficiary involvement during implementation and there was no EIA conducted.
											VfM Statement: Good
Total / Average						**3**	**2**	**2**	**2**	**9**	**VfM Statement: Good**

Mwanza City Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2007/08	0	1	0	0	0	1	0	0
2010/11	1	0	0	0	1	0	0	0
Total	**1**	**1**	**0**	**0**				
Total Investments Sampled					**1**	**1**	**0**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/ Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2007/2008	Works Consultancy	2/Completed	Consultancy Services for provision of technical and facilitation services for rural water supply & sanitation programme (RWSSP) by M/s COWI Tanzania Consulting Engineers and Planners Ltd.	$145,225	Tshs.223,816,995 or $149,211 at an x-change rate of Tshs.1,500 for 1$	3	2	3	2	10	**Economy:** • 97.3% within economical zone. **Efficiency:** • There was no evidence that the activity was properly planned and approved; • The exchange rate affected the budget as more dollars equivalent was paid. **Effectiveness:** • The consultants delivered all expected outputs and were approved by the Client and were being utilized. **Social Safeguards:** • The ESIA for the project was conducted and the report provides mitigation for environmental and social impact considerations. • No evidence of beneficiary

Financial Year	Investment Type	Component/ Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											involvement or consultations. **VfM Statement:** Best
2010/11	Works	2/Completed	Drilling of Exploratory and Productive Boreholes For Water Supply at Lwanhima, Fumagilia, Nyamadoke, Kahama, Nyamwilolelwa, Igogwe, Kabusungu, Sangabuye and Nyafula Villages, Mwanza City by M/s Maswi Drilling Co. Ltd	223,061,400	Not Availed	0	1	1	1	3	**Economy:** • Payment documentation was not availed. **Efficiency:** • Delayed completion of works by 9 months without penalty; • No progress reports by the supervising consultant were seen; • No payment vouchers were availed for review; • The boreholes were not publicly commissioned. **Effectiveness:** • The two boreholes inspected did not meet the requirement for use as production wells as their yields were below the required 3 m^3/h; • The council does not have maintenance plans and budget for the facilities although mobilised user groups to contribute funds. **Social Safeguards:** • The project installations are not labelled; • The project did not address

Financial Year	Investment Type	Component/ Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											any environmental and social mitigation measures; • There was no evidence of participation of users especially in selecting sites and implementation.
											VfM Statement: Poor
Total / Average						**2**	**2**	**2**	**2**	**8**	**VfM Statement: Good**

Mwanza Urban Water and Sewerage Authority:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2008/09	1	1	0	0	1	1	0	0
Total	**1**	**1**	**0**	**0**				
Total Investments Sampled					**1**	**1**	**0**	**0**

*C is Consultancy; the Authority did not receive funding for FY 2010/11 and 2011/12 except Tshs.28,000,000 which was spent on travel costs and per diem.

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2008/09	Works	3/Completed	Construction works of Mwanza Sewerage Works for Mwanza City by M/s Poyry Environmental / C Lotti Associates + Jos Hansen & International BAU GmbH.	€12,441,103.79	€11,822,066	3	2	3	1	9	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • No documentation on planning, budgeting and approval at the Authority implying that there was no beneficiary involvement at the planning stage; • Works not completed on schedule i.e. 12 months delay. **Effectiveness:** • The facility is of good quality and is being utilized for the intended purpose. However, information on the number of customers using the facility vis-à-vis the intended number of users was not availed for comparison;

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• O&M arrangements are in place. **Social Safeguards:** • While the environmental aspects, gender and beneficiary involvement were adequately assessed at design stage (but not planning stage), the progress reports during implementation do not show how the issues were addressed. The BoQ did not provide for the issues as well. **VfM Statement:** Good
2008/09	Works Consultancy	3/Completed	Consultancy services for the detailed design and preparation of tender documents for the improvement of water supply and sewerage in Mwanza city and the water supply in Geita, Sengerema, Ngudu and Nansio by M/s Don Consult Ltd.	$691,471	Tshs.423,990,688 or $282,660	3	2	2	2	9	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • The signed contract was not available for verification; thus it could not be ascertained if the project deliverables were done on schedule; • Payment vouchers were not availed for assessment. **Effectiveness:** • The design was utilized and the works were implemented and in use. **Social Safeguards:**

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• Adequate assessment was done of environmental and gender issues but the BoQ did not provide for items to address these issues including HIV/AIDS
											VfM Statement: Good
Total / Average						**3**	**2**	**3**	**1**	**9**	**VfM Statement: Good**

Pangani Water Basin Office:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2010/11	1	0	0	0	1	0	0	0
2011/12	0	1	0	0	0	1	0	0
Total	**1**	**1**	**0**	**0**				
Total Investments Sampled					**1**	**1**	**0**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2011/12	Works Consultancy	1/Completed	Consultancy services for preparation of an Integrated Water Resources Management and Development Plan for Pangani Basin by M/s SMEC International Pty Ltd.	$1,283,692	Not availed	-	-	-	-	N/a	**Economy:** • No payment records. **Efficiency:** • There was no evidence of beneficiary involvement in planning and conceptualization process; • The MTEF does not clearly show the procurement; • No procurement documentation was reviewed; • No payment records were seen; • No progress reports were seen. **Effectiveness:** • In the absence of progress reports and outputs, it is unable to confirm that the consultancy was/is effective. **Social Safeguards:** • In the absence of reports, it is difficult to assess the level of beneficiary involvement in

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											implementation of the consultancy. • There was no evidence of beneficiary involvement in planning.
											VfM Statement: No Rating
2010/11	Works	1/On-going	Drilling of 30 exploratory cum to productive boreholes in Rombo and Sanya plains [15 in each] by M/s Maji Tech Engineering Limited.	709,771,500	270,307,908	3	1	1	1	6	**Economy:** • Within contract price and assumed shall not exceed.
											Efficiency: • There was no evidence of participatory planning involving beneficiaries; • Delayed completion of works; • No evidence of hand-over of the completed boreholes.
											Effectiveness: • Only 15 boreholes were drilled instead of 30. • The work plan had a provision for O&M but no evidence of execution.
											Social Safeguards: • The BoQs were silent about social safeguards and environmental screening. • No evidence of beneficiary involvement during implementation.
											VfM Statement: Fair
Total / Average						**2**	**0**	**0**	**0**	**2**	**VfM Statement: Poor**

Rufiji District Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2010/11	1	0	0	0	1	0	0	0
2011/12	3	1	0	0	0	1	0	0
Total								
Total Investments Sampled					**1**	**1**	**0**	**0**

*C is Consultancy; Three Works contracts for FY 2011/12 were at initial stages of implementation and could not be audited.

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2010/11	Works	2/Completed	Drilling of deep exploratory and productive boreholes for Mbwala, Ngorongo, Uponda, Kiwanga, Mchukwi, Mng'aru, Nyawanje, Muyuyu, Hanga and Mkenda villages in Rufiji DC by M/s Efam Ltd in Association with Aqua Well Drilling Co. Ltd.	316,226,900	246,437,500	3	1	2	2	8	**Economy:** • Within contract price. **Efficiency:** • There was no evidence for bottom –up participation involving beneficiaries. • Activity was contracted out; • Work programme was not followed due to breakdowns of drilling machinery; • Delayed completion by 9 months; **Effectiveness:** • No evidence for O&M. **Social Safeguards:** • No documentary evidence of beneficiary involvement in planning & implementation of the project. **VfM Statement:** Good

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2011/12	Works Consultancy	2/On-going	Provision of Technical and Facilitation Services for Rural Water Supply Station Sub Projects –Phase 1 by M/s Netwas Tanzania Ltd.	331,227, 435	67,617,898.83	3	1	2	3	9	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • There was no approval of bidding method by the Tender Board; • No advertisement for tender; • No evidence of bid opening; • Activity was contracted out; • No evidence of any report submitted by the Consultant so far. • No access to records to verify payments made & related records. **Effectiveness:** • In the absence of progress reports, it was difficult to fully assess the effectiveness of the consultancy. **Social Safeguards:** • Social Safeguards were addressed in the designs. **VfM Statement:** Good
Total / Average						**3**	**1**	**2**	**3**	**9**	**VfM Statement: Good**

Same District Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2010/11	3	1	0	4	1	1	0	0
2011/12	2	0	0	0	1	0	0	0
Total	**5**	**1**	**0**	**4**				
Total Investments Sampled					**2**	**1**	**0**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/ Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2010/11	Works	2/On-going	Drilling of Exploratory and Productive Boreholes for Water Supply in Same District Council (Kizungo, Myombo, Bendera, Karamba, Kisesa, Hedaru, Gonjanza, Mteke, Mwembe and Sambweni villages) by M/s Hydro Tech Tanzania Ltd.	204,713,000	215,025,100	0	1	2	2	5	**Economy:** • 95.2% economy rating while works are still on-going and the contractor was overpaid by Tshs.15,000,000. **Efficiency:** • There was no evidence of bottom-up planning or beneficiary involvement from the village files reviewed; • Delayed completion of works; • Overpayment. **Effectiveness:** • No O&M arrangements in the budget. **Social Safeguards:** • No evidence of beneficiary involvement during planning and implementation of the

Financial Year	Investment Type	Component/ Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											project. **VfM Statement:** Fair
2010/11	Works Consultancy	2/On-going	Provision of Technical and Facilitation Consultancy Services for RWSS sub project (scoping study, assist in preparation and update of DWSPs, preparation of detailed designs, hydro-geological investigations, tender documents, develop potential productive boreholes and supervise the drilling works, etc) by M/s Howard Humphreys (Tz) Ltd.	$153,500	Tshs.164,596,180 or $110,000	3	2	1	0	6	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • There missing procurement records; • No Consultant's reports were availed for review. **Effectiveness:** • In the absence of Consultant's outputs, it was not possible to assess how effect the activity was; tender documents were however utilized. **Social Safeguards:** • It was not possible to assess beneficiary involvement during implementation of the Consultancy in the absence of reports. **VfM Statement:** Fair
2011/12	Works	2/On-going	Construction of Water supply scheme in Same DC (Mtete, Myombo and Sambweni) by M/s B & S Limited.	500,822,025	186,716,299	3	2	3	3	11	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • Delayed completion of works by 4 months. **Effectiveness:** • Quality of works and materials was good;

Financial Year	Investment Type	Component/ Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• There was provision for O&M in the MTEF. **Social Safeguards:** • There was evidence of beneficiary involvement in implementation of the project; • Other social safeguards were being addressed. **VfM Statement:** Best
Total / Average						**2**	**2**	**2**	**2**	**8**	**VfM Statement: Good**

Sengerema District Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2010/11	0	0	0	0	0	0	0	0
2011/12	3	1	0	0	3	0	0	0
Total	**3**	**1**	**0**	**0**				
Total Investments Sampled					**3**	**0**	**0**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2011/12	Works	2/On-going	Construction works contract for the Nyehunge and Kalebezo piped water supply system (boreholes and pump houses, laying transmission and distribution mains and construction of storage reservoirs) by M/s Pet Cooperation Ltd.	1,490,146,680	298,029,340	3	2	0	0	5	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • There was no evidence that the procurement method was approved by TB; • Letter of appointment of the TEC and its report were not seen; • Poor keeping of procurement records; • No work programme submitted by the contractor to guide implementation; • Slow progress of works; • Since works contract commenced, the supervising consultant has not produced any progress reports to assess how the issues are being addressed;

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• The auditors were not availed the MIS reconciliation report.
											Effectiveness: • No tests have been conducted on completed works & workmanship was poor; • There will be under utilization of the water reservoir, the design did not consider the existing tank; • No O&M arrangements in place.
											Social Safeguards: • Land for reservoir was obtained without compensating the land owner; • Social safeguards are not addressed in the BoQ and not being implemented.
											VfM Statement: Fair
2011/12	Works	2/On-going	Construction works contract for the Nyamutelela piped water supply system (boreholes and pump houses, laying transmission and distribution mains and construction of storage reservoirs) by M/s Luneco Investments Ltd.	459,635,000	91,927,000	3	2	0	0	5	**Economy:** • Within contract price and assumed shall not exceed.
											Efficiency: • There was no evidence that the procurement method was approved by TB; • Letter of appointment of the TEC and its report were not seen;

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											• Poor keeping of procurement records; • No programme of works; • Slow progress of works; • Since works contract commenced, the supervising consultant has not produced any progress reports to assess how the issues are being addressed; • The auditors were not availed the MIS reconciliation report.
											Effectiveness: • No tests have been conducted on completed works; • No O&M arrangements in place.
											Social Safeguards: • Social safeguards are not addressed in the BoQ and not being implemented.
											VfM Statement: Fair
2011/12	Works	2/On-going	Construction of concrete slabs and installation of hand pumps in seven villages of Lwenge, Kanyelele, Butonga, Igwanzozu, Nyamutelele, Kalebezo, Nyehunge by M/s Gipco Construction Ltd.	61,985,165	0	3	2	1	0	6	**Economy:** • Within contract price and assumed shall not exceed.
											Efficiency: • There was no evidence that the procurement method was approved by TB; • Letter of appointment of the TEC and its report were

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											not seen; • Poor keeping of procurement records; • No programme of works; • No progress reports seen; • The auditors were not availed the MIS reconciliation report.
											Effectiveness: • No O&M arrangements in place.
											Social Safeguards: • Social safeguards are not addressed in the BoQ and not being implemented; • Implemented facilities not engraved to avoid double accountability and foster transparency.
											VfM Statement: Fair
Total / Average						**3**	**2**	**0**	**0**	**5**	**VfM Statement: Fair**

Tanga City Council:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2008/09	1	1	1	0	0	1	1	0
2010/11	0	0	0	0	0	0	0	0
2011/12	0	0	0	0	0	0	0	0
Total	**1**	**1**	**1**	**0**				
Total Investments Sampled					**0**	**1**	**1**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2008/09	Goods	2/Completed	Extension of a 2" PTH Pipeline at Mafuriko-Mikocheni village by M/s RAI Shop Enterprises.	8,145,000	8,145,000	3	2	1	3	9	**Economy:** • Payments did not exceed LPO stated amount. **Efficiency:** • All processes were efficiently conducted except there was no evidence of certification of the supplies that they were in accordance with specifications. **Effectiveness:** • Quality certification of supplies not done. • No O&M arrangements; it was said that Tanga UWSA is responsible. **Social Safeguards:** • Social safeguard were addressed and implied. **VfM Statement:** Good

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2008/09	Works Consultancy	2/Completed	Provision of Technical and Facilitation Consultancy Services for RWSS sub project – Phase I by M/s COWI Tanzania Consulting Engineers and Planners Ltd.	$146,002	Tshs.232,481,615 or $154,988	2	1	1	0	4	**Economy:** • 94.2% economy score. **Efficiency:** • Activity could not be traced in the Council MTEF; • No records of Consultant's outputs at the City Council; • Hedging seems to have caused payments to exceed contract amount. **Effectiveness:** • In the absence of reports, it was not possible to assess how effective the Consultancy was. Some tender documents were however seen. **Social Safeguards:** • In the absence of reports, it was not possible to assess whether social safeguards were properly addressed during implementation of the consultancy. **VfM Statement:** Fair
Total / Average						**3**	**2**	**1**	**2**	**8**	**VfM Statement: Good**

Tanga Urban Water and Sewerage Authority:

Sample of Investments

FY	No. of Implemented Investments				No. of Sampled Investments			
	Works	Works -C	Goods	CBG	Works	Works -C	Goods	CBG
2009/10	0	0	1	0	0	0	1	0
2010/11	1	1	0	0	1	1	0	0
2011/12	1	0	0	0	1	0	0	0
Total	**2**	**1**	**1**	**0**				
Total Investments Sampled					**2**	**1**	**1**	**0**

*C is Consultancy

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
2011/12	Works	3/Completed	Improvement of Water supply in Genge ward, Muheza, TeuleB Township (Supply and install complete deep well, finished platform for the hand pump) by M/s Nyakwe Enterprises Limited.	4,330,000	4,330,000	3	2	2	2	9	**Economy:** • Did not exceed contract amount. **Efficiency:** • There was no formal hand-over of the facility after construction. **Effectiveness:** • Unclear O&M arrangements; community Authority or District? The facility was in need of maintenance. **Social Safeguards:** • Environmental concerns were not addressed and missed out in the BoQ. **VfM Statement:** Good
2010/11	Works	3/Completed	Improvement of Water supply in Songe-Kilindi Township (supply and	37,168,300	37,611,820	3	2	2	3	10	**Economy:** • 98.8% economy score. **Efficiency:**

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
			installation of KSB surface water pumps) by M/s Davis & Shirtliff.								• There was no certification for completion of works; • No evidence of formal hand-over of the installed pump. **Effectiveness:** • No certification for quality was seen. • The pump was in use and there was a budget for O&M. **Social Safeguards:** • Social safeguards are implied to have been addressed. **VfM Statement:** Best
2010/11	Works Consultancy	3/On-going	Consultancy services for Detailed Engineering Design, preparation of tender documents and supervision for improvement of water supply and sewerage in Tanga City, Muheza and Pangani township-Phase I by M/s Arab Consulting Engineers in Association with M-Consult.	$873,300	Tshs.1,114,694, 360 or $743,130	3	2	2	2	9	**Economy:** • Within contract price and assumed shall not exceed. **Efficiency:** • All processes were well executed except progress reports were not seen. **Effectiveness:** • Tender documents were produced and being utilized, supervision work was still on-going. • No progress reports were seen to evaluate quality of outputs. **Social Safeguards:** • There were no progress reports seen to ascertain

Financial Year	Investment Type	Component/Status	Activity / Provider	Contract Price	Spent	E_1	E_2	E_3	E_4	VfM	Remarks
											the level of beneficiary involvement. **VfM Statement:** Good
2009/10	Goods	3/Completed	Improvement of Water supply in Pangani Township (Supply of surface water pumps) by M/s Mwanjaga General Supply Limited.	30,130,000	29,587,660	3	2	2	2	9	**Economy:** • Within LPO price. **Efficiency:** • There was no records on procurement of the supplier; • Completion certificate not issued. **Effectiveness:** • Quality was not assessed in the absence of certificate. **Social Safeguards:** • Environmental screening was not done. **VfM Statement:** Good
Total / Average						**3**	**2**	**2**	**2**	**9**	**VfM Statement: Good**

Rufiji Water Basin Office:

Sample of Investments

It was reported at the water office that during the period under review, they only supervised two works consultancies but all documentation was kept at the Ministry Headquarters.

The Consultancies are:

1- Consultancy services for Preparation of Integrated Water Resources Management and Development Plans for River Basins by M/s Water Resources and Energy Management (WREM) International (FY 2010/11)
2- Consultancy services for preparation of Feasibility study, detailed design for Lugoda Dam and Maluluma Hydro power on Ndembera River in Rufiji Basin by M/s Beomhan Engineering & Architects in Association with Hunkuk Engineering Co (FY 2011/12)

Initial findings from the Basin Water Office reveal the following:

Economy:

No payment records.

Efficiency:

- There was no evidence of beneficiary involvement in planning and conceptualization process;
- The MTEF does not clearly show the procurement;
- No procurement documentation was reviewed;
- No payment records were seen;
- No progress reports were seen.

Effectiveness:

In the absence of progress reports and outputs, it is unable to confirm that the consultancy was/is effective.

Social Safeguards:

- In the absence of reports, it is difficult to assess the level of beneficiary involvement in implementation of the consultancy.
- There was no evidence of beneficiary involvement in planning.

With the above initial findings, the VfM score would be Zero.

Bukoba Water Supply and Sewerage:

Findings

- Poor record keeping resulting in difficulty in obtaining documents and thus VfM was not assessed;
- Absence of capacity needs assessment reports by the agency and lack of specific training requirements in the budget;
- The agency did not have any capital commitments for the FY 2010/2011;
- The agency procured some meters but the contract for the supply of the meters was signed on 1/12/2011 after the meters had been delivered on 30th May 2011 contrary to procurement regulations;
- Some material requisitions e.g. for meters did not show the names of prospective clients, a sign of poor internal controls as technicians may request materials for personal use. It is also makes it difficult for the agency to track their clientele.

Nansio Urban Water and Sanitation Authority:

Findings

- There was no record of any activity taking placing in the authority i.e. no reports, no business plans etc
- The Authority did not receive any funds from WSDP for the financial years 2010/2011 & 2011/2012
- The Authority is understaffed and does not have capacity to handle big projects
- There no Board of Directors, it is currently under the supervision of Ukerewe District Council
- Funds received for distribution lines were used to purchase fittings and pipes some of which have not been installed to date.
- The average monthly collection for the agency is Tshs.4,500,000 which is not enough to cover operational costs and sustain the Authority.
- Currently, revenue (water collections) are deposited with the DC account, it is not clear how the authority is operating without any financing.

Mwanza Regional Secretariat:

Findings

- Expenditure was on activities that are not WSDP related e.g. purchase of stationery for road board sitting, taking budget proposal to constitution and law committee;
- There are no means of verification for M&E activities i.e. the reports do not include attendance lists for various meetings held in LGAs visted;
- Release of less funds than budgeted amounts without guidance on how to prioritize expenditure;
- Late release of funds making it difficult to implement planned activities;
- The agency did not receive funds from WSDP for the FY 2010/2011;
- The RS did not conduct any capacity building activities for the FY 2011/2012
- The budget for WSDP for the FY 2010/2011 & 2011/2012 did not include capacity building activities implying that even If funding was adequate, the activity would not have been conducted.

Singida Internal Drainage Basin Water Office:

Findings

- The basin water office did not receive any investment funding in the last two financial years and hence carried out no activities that could be audited; No investment projects were implemented for the Fiscal year 2010/2011 & 2011/2012 and the expenditures incurred were on operational costs;
- The board does not have an internal auditor. All payments made for the fiscal years under review were not checked by the internal auditor;
- In the fiscal year 2010/2011, the Board paid a total of Tshs.9,950,000 to engineers and procurement specialists from the MoW to evaluate tenders No. ME-011/2009-10/W/10, ME-011/2009-10/W/9, ME-011/2009-10/W/10, ME-011/2009-10/W/10, ME-011/2009-10/W/12 and ME-01112009-10/W/13 but the evaluation committee did not avail a copy of the evaluation report to the Basin Water Office. (Payment Voucher 4317);
- It was also noted that the Technical Advisor from the MoW was paid per diem by the BWO, however it could not be ascertained if the officer also received the same from the MoW;

Ngudu Urban Water and Sanitation Authority:

Findings

- The authority did not receive any funds from WSDP for the FY 2010/2011 & 2011/2012;
- The authority has few customers and cannot generate enough revenue to sustain itself. The average revenue collection is Tshs.2,500,000 which is not enough to cover operational costs for the agency;

- The existing transmission and distribution lines were installed about 30 years ago thus constant leakages.
- The authority/agency is understaffed and cannot operate on its own without the support of the district council.
- There was delayed appointment of the Board. The term of the existing Board of Directors expired in the FY 2010/2011 but the agency obtained permission from the Regional Secretariat to continue using it until a new one is appointed which is taking too long.

Mhunze Urban Water and Sanitation Authority:

Findings

- There was no record of any activity taking placing in the authority i.e. no reports, no business plans etc. Even the DWE who is supposed to act as Manager for the authority seemed not to be doing that job at all.
- The authority has no board. The board expired in the fiscal year 2008/2009
- The authority last received funds from WSDP in the fiscal year 2008/2009
- The authority is under staffed with one fulltime technician and two casual staff
- The authority has no independent accounts for the revenue collections and funds are deposited on the account of Kishapu DC.
- The authority has few customers i.e. 118 yard connections and 9 kiosks. The monthly revenue from the connections or customers is Tshs1,500,000/= which is not enough to support the operationalization of the authority
- The authority did not prepare annual reports for the fiscal year 2011/2012 while the one for the fiscal year 2010/2011 was not availed for assessment.

Annex 2: Management Responses by MoW and Other IAs

THE UNITED REPUBLIC OF TANZANIA

MINISTRY OF WATER

Technical Audit of the Water Sector Development Programme for the FY 2010/2011 – 2011/2012 –

Date: 9th May, 2013

Para	Audit Findings	Management Responses
3.2	**PMU** The MoW and all IAs that had a procurement plans in place were not annualized as required and thus were static and did not include proposed completion dates.	The consolidated procurement plan is updated annually through MIS. The updating of the plan is carried out in consultation with development partners. The Annual Procurement Plan can be traced in the consolidated procurement plan in the MIS by using data and sort commands.
3.2	There was no evidence that MoW publish a Promotional Procurement Notice (PPN) annually in national and local newspapers to promote business opportunities to local contractors and suppliers.	The Annual Procurement Plan was published at PPRA website and WB market for wider circulation so as to avoid huge advertisements cost in the local Newspapers.

3.2(i)	Missing procurement plans (IAs) and where the plans are in place they have not been annualized as required and in other cases there were no evidence of approvals of the procurement plans;	The consolidated procurement plan is updated annually through MIS. The updating of the plan is carried out in consultation with development partners. The Annual Procurement Plan can be traced in the consolidated procurement plan in the MIS by using data and sort command annualized plan can be obtained. The Procurement Plan document is usually discussed, and approved by the management before being forwarded to Water Sector Working Group (WSWG) or Water Sector Steering Committee (WSSC) for approval. Procurement Plan document is shared to all stakeholders including DPs for their comments and is approved through TWG4, WSWG, and SC meetings. The evidence of this participatory process for MoW can be seen in a number of minutes of TWG4, WSWG and SC meetings.
3.2(ii)	PMUs not keeping auditable records of procurement more especially at the BWOs, UWSAs, Kagera RS and Sengerema DC. At the MoW however, procurement records were well kept;	The Audit recommendation is noted. The Management will advise all BWOs, UWSAs and other IAs to keep documents of Auditable Procurement Records.
3.2(iii)	PMUs not adequately trained and lack appropriate skills and knowledge regarding the procurement process.	The Audit recommendation is noted. MoW has been progressively enhancing its PMU staff and staff from other departments who are engaged in procurement by training. So far 15 staff from MoW, have been trained in procurement issues. The Management will ensure that PMUs in other IAs are capacitated in the same way it does for MoW,s PMU.
3.2(iv)	Assessment of the Capacity of some IAs in particular UWSAs and BWOs showed that there was no sufficient capacity to effectively carryout procurement	The PMU – MoW has planned for CD for all IAs so as to improve their procurement capacity. This will be done in Quarter IV FY 2012/2013.
3.2(v)	Capacity to effectively carryout procurement e.g. Lindi UWSA. UWSAs have not established procurement body; the duties of the Water Board in procurement are not well defined;	The audit comment is adhered to. The Ministry has a programme of strengthening Procurement Management Units in all implementing agencies (IAs) including UWSAs; and will ensure all IAs have in place PMUs with well-defined duties.

3.2(vi)	Procurement processes are not approved by Tender Boards for most procurement implemented by agencies.	All IAs are independent and are strictly advised to adhere to Public Procurement Act and Regulations as well as WB guidelines. All procurement processes are approved by Tender Boards, the problem is record keeping, which need to be improved in IAs so that all documents such as minutes of the Tender Boards can be easily accessible.
3.2(vii)	Supplies for materials and implements are from un-prequalified suppliers. For example, a total of Tshs.94,048, 900 was spent on supply of pipes and fittings at Himo DUWSA through 3 LPOs to one firm (M/s Plasco Limited) which was not pre-qualified.	The audit recommendation is noted. However, for the case of Himo DUWSA which request for quotation was given to only one firm the reason was that the supplier/ firm (Plasco) is a manufacturer and supplier for HDPE UPVC which has ISO certificate and TBS for quality products.
3.2(viii)	In some cases, contractors / suppliers have been single-sourced thereby causing lack of competiveness in the bidding/tendering and hence affecting Value for Money;	Single source application for contractors and supplies have been used where there was no advantage of engaging competitive methods, where there was a natural continuity of works and value for the works/ supplies were low (i.e. not more than Tshs 10m/=) as per PPA.
3.2(ix)	Missing records of tender openings.	The Audit comment is adhered to. During the audit exercise the Tender opening documents were misplaced but now are in place for audit verification after being traced.
3.2(x)	There was no evidence of appointment of Technical Evaluation Committee in a number of Agencies.	The Audit comment is adhered to. During the audit exercise the evidence of appointment of Technical Evaluation Committee were missing but now are available for audit verification after being traced.
3.2(xi)	Incompetent tender documents including BoQs that exclude Considerations for social safeguards.	Social Safeguards is done independently by another consultant; and therefore not part of the tender documents audited.
3.2(xii)	Un-approved Variations: There were cases where works have been varied significantly affecting the contract amounts but the variations have not been presented to Tender Board for approval; this has affected the Economy score for VfM as the cost of the finished facility will have short up beyond budgeted funds.	All variations approved by TB. All variations are approved by TB. The challenge is documentation of the minutes of TB. Management will improve documentation of all procurement processes.

3.2(xiii)	General weakness in stores management systems at all levels (more pronounced for UWSAs and BWOs) except at MoW headquarters; in cases of re-tooling, items have been supplied but there have been weaknesses in the stores management system. Stores procedures have not been fully complied with.	This weakness has been noted. The Ministry will liaise with all IAs especially the UWSAs and BWOs to improve their stores, and follow stores procedures accordingly.
3.2(xiv)	It was also established that there are often delays in procurement caused by poor documents set for clearance and hence delays in issuance of 'No objections". For example in Bagamoyo DC, the procurement of a Consultant, evaluation was conducted in February 2009 and the 'No objection issued on 27th August, 2009 which is 6 month later.	It is true that poor documents may cause delay in clearance for No. objection. The PMU is now organized to ensure that the documents are of the required standards before forwarded to WB for approval. Moreover the IAs will be advised to prepare quality documents (error free) so that the time taken for quality assurance at PMU is minimized.
3.3	**SAFEGUARDS ASSESMENT** Lack of deliberate integration of social safeguards issues in CBG trainings, etc.	The audit comment is adhered to. Social safeguards issues shall be incorporated in the forthcoming CBG training programs. Currently safeguard CB activities are performed through annual plans.
	There have not been cases where environmental compliance certification has been made although EIAs were in place.	ESIA reports from LGAs and UWSAs were submitted to MoW for review and finally category A are submitted to NEMC for certification. At the moment four of category A reports has been certified by NEMC and ready for audit verification. Other ESIA reports are at various levels of ESIA preparation. Category B reports mainly from LGAs are reviewed and approved by District Environmental Management Officer in collaboration with DWST as per ESMF.
	No environmental audits or checks to evaluate whether the mitigation measures were put in place at closure of the project.	The audit comment is adhered to. Every completed projects shall be audited before commissioning.
3.3	IAs including MoW and its agencies should ensure that social safeguards are catered for in all investments right from the planning stage, through implementation stage and be duly budgeted for.	The comment is adhered to. The plan and budget have been included in the FY 2013/14

3.4.1	Lack of evidence of approvals of MTEF in most of IAs except for LGAs.	The audit comment is adhered. The existing approval process shall be enhanced to all IAs to ensure proper records of approval minutes and documents.
3.4.1	There was no evidence of participatory planning involving beneficiaries.	The participatory planning for all IAs was initially provided by the respective consultants in the "Provision of technical and facilitation consultancy services for rural water supply and sanitation sub programme. The information is available in the report at each LGA. Reports from LGAs are available for verification.
3.4.1	Inadequate project or investment screening in a number of IAs including MoW.	The audit comment is adhered to. The management will make sure that all projects are screened and reports are available for verification in future.
3.4.2	There was no integrated monitoring and evaluation (M&E) plan for internal monitoring of field activities and late reporting by implementing agency.	The audit comment is adhered to. There is an integrated M &E plan as part of a draft M & E framework. The MoW will nominate M& E an integrated task force to operationalize the integrated M&E plan in consultation with individual department monitoring efforts.
3.4.2(i)	Inadequate certification and completion of measurement sheets for works done.	The Audit comment is adhered to. The management will ensure that from next financial year 2013/2014 all completion works will be certified and all necessary sheets for works done.
3.4.2(ii)	Delayed completion of works also no evidence of charging liquidated damages.	The Audit comment is adhered to. The Works were delayed due to late release of funds. The Management cannot impose the liquidated damages because it could not fulfill its obligations of paying the contractors on time according to the contract. However, in the future management will make sure that there will be no delay in payment.
3.4.2(iii)	The works implemented were found to have defects and others were implemented contrary to specifications,	The Audit comment is adhered to. Management will ensure that defects and implementation contrary to specifications are avoided. Management will inspect all works; defects found will be corrected as per required specifications.
3.4.2(iv)	There are no inspection reports and necessary quality tests not conducted which has led to substandard works being executed.	The Audit comment is adhered to. The management shall make sure that inspection reports and necessary quality tests are conducted and documented In general, inspection reports are normally prepared and shared with Client and other key stakeholders. The challenge is documentation of the reports. Management will improve documentation of all reports.

3.4.2(iv)	Lack of performance security which have been left un-renewed hence causing a risk of losing money in cases of default by the contractor	The Audit comment is adhered to. The management shall make sure that performance security are renewed on time so as to avoid a risk of losing money in cases of default by the contractor.
3.4.3	In adequate support documents for the payment Made.	The Audit comment adhered to. As per MoW, the Management has made big efforts to handle this problem of missing supporting documents by establishing a section known as Documentation. The section has two staff who are responsible for tracing and checking all payments made during the year in collaboration with audit query section and treasury accountants to ensure that all payments have all supporting documents and are arranged in monthly basis. In the future the management shall advise other implementing agencies to have documentation section.
3.4.4	Lack of commissioning and handover process to the Project implemented;	The audit comment is adhered to. The challenge is documentation of the minutes of commissioning and handovers. Management will improve documentation of all commissioning and handovers minutes .
3.4.5.	Lack of Operation and Maintenance arrangement in measuring across implementing agencies	The Audit comment is adhered to. Management shall advise all IAs to have O&M arrangement.
3.4.6	Lack of quality of works/ goods and services to the Implemented projects.	The Audit comment is adhered to. Most of goods/work s and services meet required quality; to improve this management shall advise all IAs to enhanced M&E section.
3.4.7	None utilization of the works completed.	The Audit comment is adhered to. The Management shall make inventory of all works/facilities completed and instruct all IAs to utilize all works/facilities completed.
3.4.8	Lack of training to staff of the implementing agencies such as planning, procurement and contract Management.	Between 2007-2010 training was conducted to IAs on planning, procurement and contract Management. Later on 2010/11 training was stopped for undertaking an intensive training impact assessment as it was advised by DPs. The assessment is over and the training is due to resume in 2013/14.
3.5	**Handeni District council** **Activity** Provision of Technical and Facilitation Consultancy Services for Rural Water Supply and Sanitation sub project Phase I by M/s Don Consult Limited.	

	Efficiency: There was no records on procurement were seen at the District Council;	The comment is adhered to. The documents was not traced during auditing. However, documents have been traced they are ready for verifications in the office of DWE Handeni.
	No consultancy outputs or deliverables were seen at the District Council.	The comment is adhered to. The documents which verify outputs were not traced during auditing. However, documents which verify outputs have been traced they are ready for verifications at the office of DWE in Handeni. They includes • Inception report. • Hydrological and Geophysical survey report. • District Water Supply and Sanitation plan. • Rapid Environmental Impact Assessment final report. • Facility Management Plan Final Report. • Social Assessment final Report. • Main final reports. • Detail Design Final Report. • Drawings. • Specifications. • Social Assessment Final Reports. • Tender Documents
	Effectiveness: Apart from copies of tender documents produced, no other consultancy outputs were seen	The comment is adhered to.. However, Several reports regarding **Phase 1** which involves Provision of technical and facilitation consultancy services for rural water supply and sanitation sub project, whereby it involves **Planning Phase**, contract no. HDC/DTB/O4/2008/2009. have been traced, they are ready for verifications at the office of DWE in Handeni.. **The available reports are:-** • Inception report. • Hydrological and Geophysical survey report. • District Water Supply and Sanitation plan. • Rapid Environmental Impact Assessment final report. • Facility Management Plan Final Report. • Social Assessment final Report.

		• Main final reports. • Detail Design Final Report. • Drawings. • Specifications. • Social Assessment Final Reports. • Tender Documents
	Handeni Trunk Main **Activity 1** Completion of Kitumbi pumping station which involved; supplying 6" [150mm internal diameter] HDPE water pipes with standard length of 12 meters each, to be connected with quick release clamps with shoulders stubs for Kitumbi-Manga water supply project by M/s Tanesco Korogwe, M/s Efam Ltd Efficiency: There was no approval of the annual work plan by the Water Board;	The comment is adhered to. The management shall collaborate with the Board to prepare plans and keep records on procurement and work programme.
	No records on procurement;	The comment is adhered to. The management shall advise Handeni Trunk Main management to keep records of procurement.
	No clear work programme.	The comment is adhered to. The management shall collaborate with the Board to prepare plans and keep records on procurement and work programme.
	Effectiveness: No evidence of certification of works to ensure quality;	The comment is adhered to. The work was performed in-house. No certificate was prepared
	No O&M arrangements. The in-take that serves Tabora treatment plant was silted	The comment is adhered to. The scheme has been evaluated and rehabilitation will commence once funds are secured. The O& M plan and implementation will be deployed sequentially.

	Social Safeguards: No records on environmental screening.	The comment is adhered to. Screening and audit will be done before a forth coming rehabilitation.
	Activity 2 Procurement of pipes, fitting, excavation and Back filling costs for Supply water from Mwananyamala to Kikwajuni by M/s Metro Water Supplies, M/s Kitchare General Supplies and Kiko Investments. **Efficiency:** There was no approval of the annual work plan by the Water Board;	The comment is adhered to. The management shall collaborate with the Board to prepare plans and keep records on procurement and work programme
	No records on evaluation of quotations;	The comment is adhered to. The management shall advise Handeni Trunk Main management to keep records on evaluation of quotations
	No clear work programme.	The comment is adhered to. The management shall advise Handeni Trunk Main management to prepare clear work programme for works
	Effectiveness: No evidence of certification of works to ensure quality;	The comment is adhered to. The work was performed in-house. No certificate was prepared
	No O&M arrangements. All 7 treatment chambers were silted and site pump was not functioning at Tabora treatment plant.	The comment is adhered to. The Board has conducted a feasibility study June 2011 and rehabilitation will commence once funds are secured. The O& M plan and implantation will be deployed sequentially
	Social Safeguards: No records on environmental screening.	The comment is adhered to. Screening and audit will be done before a forth coming rehabilitation.
	Kagera Regional Secretariat: **Activity 1** Purchase of five Tyres for Vehicle Reg. No. STK 6565 (PV No.3/11 FY2010/2011) by M/s Hydery Auto Parts. Economy: No budget for Tyres. **Efficiency:**	

	The procurement was not conceptualized and so was not reflected in the MTEF;	The audit comment is agreed. There was emergency and the proper item had no money which caused to purchase through other budget items. In future a proper item will be allocated with enough funds and procedure followed.
	The procurement requisition did not indicate the estimated cost amount;	The comment is adhered to. The management will advice RS Kagera to make sure that procurement requisition are indicated in the estimated cost amount.
	No pre-qualified suppliers	The comment is adhered to. The list of pre-qualification was not traced during auditing. However, Pre-qualified suppliers list has been traced and available . They includes Hydery autoparts and Alphonce Innocent. Refer attachment folder Kagera-Kagera RS-List of pre-qualifed supplies
	Stores management procedures not followed;	The comment is adhered to. The management will advice RS Kagera to make sure that Stores management procedures are followed.
	Payment process was not checked by the internal audit department;	The audit recommendation noted for remedial action
	Activity 2 Purchase of Car Accessories (Spare tyre Stand, Rear tyre cover and Steering wheel cover), and Travel to Mwanza (300 litres of fuel and allowances for 7 days) by Mr. Godfrey Kyaruzi	
	Economy Activity for purchase of car accessories had not been budgeted for.	The audit comment is agreed. During this financial year 2010/11-2012 the Water section did not exist. All activities undertaken for WSDP were done under the Infrastructure Section. Among other roles of the RS – KAGERA through Water Section is to carryout monitoring and supervision in various LGAs
	Efficiency: The procurement of the car accessories was not planned and was not reflected in the MTEF;	The comment is adhered to. During auditing MTEF document which shows planning for procurement of the car accessories was not traced. However, now the document is available ready for verifications at Kagera RS.
	There was no fairness, competition and transparency in the procurement as it is not clear how the supplier was identified;	Procurement was done using single source method

	No pre-qualification list of suppliers in place; Supplies were not verified;	The audit recommendation noted for remedial action
	The payment process was not checked by the internal audit department.	The audit recommendation noted for remedial action
	Effectiveness: Quality of supplied could not be verified in absence of specifications; The purchased accessories were being utilized.	The comment is adhered to. The management will advice Kagera RS to make sure that goods delivered are verified against specifications intended.
	Activity 3 Monitoring and Evaluation Activities in 7 Districts (PV 14/8) by two Officers and a Driver for 14 days. Economy: Activity was not budgeted	Activity was budgeted for, unfortunately, during auditing the auditor could not trace the activity in the MTF... however now it has been traced in the MTEF and ready for verifications at Kagera Rs.
	Efficiency activity not captured in MTEF and budget as well as work plan;	The audit comment is agreed. During this financial year 2010/11-2012 the Water section did not exist. All activities undertaken for WSDP were done under the Infrastructure Section. Among other roles of the RS – KAGERA through Water Section is to carryout monitoring and supervision in various LGAs
	There was no documentation such as a needs assessment report for this activity;	The RS conducts routine quarterly supervision visits in the LGAs
	The payment was not checked by the internal audit department.	The audit recommendation noted for remedial action
	Effectiveness: The quality of the report was lacking; No list of attendances.	The report has been attached
	No mechanisms in place to assess the effect of the activity.	Assessment is made through reporting to the RAS about the supervision. Reports are available at Kagera RSs for verifications
	Social Safeguards: There is no evidence of community participation since there was no attendance list attached on the report.	Community participation. The project designs was prepared by the Consultant and presented to the Community (in the presence of DWST) at a fourth meeting for final agreement, establishment of the community's commitment to their share of the construction inputs, and

		acceptance of full responsibility for subsequent operation and maintenance. The WATSAN Committee, with the assistance of the Consultant, assist communities in updating the Facility Management Plans. The community attendance list is within the consultant report at the respective LGAs. Reports are available at LGAs for verifications
	Social safeguards not addressed in the report.	The audit recommendation noted for remedial action
	Activity 4 Travel to Nairobi for Scholarship Interview of Masters Degree (PV o.9/5 FY 2011/2012) by Water Engineer – Mr. Avitus Exavery. **Efficiency:**	
	The activity was reflected in the MTEF but the kind of training is not in line with the PIM Guidelines;	The audit recommendation noted for remedial action
	The auditors were not availed a copy of the capacity needs assessment and evidence of participation of other members of staff;	The audit recommendation noted. However the water section had 1 engineer, since the section had just been established a head of the section had to have a masters degree.
	The invitation for the interview indicated that the return air ticket and shuttle service from the airport to the location of the interview or hotel would be provided but the RS also approved and provided the participant with the same.	The Audit comment is adhered to The management will ensure RS Kagera get the fund back to its proper account and use.
	The payment was not checked by the internal audit department.	The Audit comment is adhered to The management will ensure RS Kagera get the fund back to its proper account and use.
	Effectiveness: The training is on-going and its effects on the programme could not be assessed in the absence of a mechanism put in place.	The audit recommendation noted for remedial action.

	Social Safeguards: No social safeguards covered under the training.	The audit recommendation noted . However the training focuses on increasing capacity to supervise water projects. A separate and centralised training for all district water engineers and RS water advisor was conducted in Mwanza and Arusha respectively.
	Activity 5 Maintenance and Repair of Motor Vehicle (PV No.4/5 FY2011-2012) by Temesa Bukoba.	
	Economy: Activity not budgeted for.	Activity was budgeted for, unfortunately, during auditing the auditor could not trace the activity in the MTF... however now it has been traced in the MTEF and ready for verifications at Kagera Rs.
	Efficiency: The MTEF does not clearly show the activity.	The audit comment is agreed. During this financial year 2010/11-2012 the Water section did not exist. All activities undertaken for WSDP were done under the Infrastructure Section.
	The request forms used do not have estimated costs and there is no proper approval process;	The audit recommendation noted for remedial action
	Implementation not in accordance with plan and budget;	The audit recommendation noted for remedial action
	No certification of works done by the relevant department;	The audit recommendation noted for remedial action
	Payments were made without audit checks.	The audit recommendation noted for remedial action
	Effectiveness: The quality of service and repair could not be ascertained in the absence of certification.	The audit recommendation noted for remedial action
	Activity 6 Supply of Office Equipment and Accessories (6m of red carpet) by Athman Khasim Athman. **Economy:** Activity was not budgeted for.	The audit recommendation noted for remedial action

	Efficiency: Activity was not reflected in the MTEF;	The audit comment is agreed. During this financial year 2010/11-2012 the Water section did not exist. All activities undertaken for WSDP were done under the Infrastructure Section. As per attached documents.
	The supply was luxurious and not relevant to WSDP objectives;	The audit recommendation noted for remedial action
	The procurement was initiated and concluded in the same department without approval of the Accounting Officer;	The audit recommendation noted for remedial action
	There was no list of prequalified suppliers;	The audit recommendation noted for remedial action
	Stores procedures were not followed;	The audit recommendation noted for remedial action
	Payment process was not checked by the internal audit department.	The audit recommendation noted for remedial action
	Effectiveness: No O&M for maintaining the carpet.	O and M is done by the RS employed cleaning agency
	Activity 7 Supply of a 21 Inch Television Set to Water Engineer's Office by Alphonce Innocent (PV No. 5/5) Economy: Activity was not budgeted for.	The audit recommendation noted for remedial action
	Efficiency: The Activity was not reflected in the MTEF;	The audit comment is agreed. During this financial year 2010/11-2012 the Water section did not exist. All activities undertaken for WSDP were done under the Infrastructure Section. As per attached documents.
	The procurement procedure in stores was not followed;	The audit recommendation noted for remedial action
	The was no pre-qualification lists of suppliers;	The audit recommendation noted for remedial action
	Payment process not checked by the internal audit department;	The audit recommendation noted for remedial action
	The supply was luxurious and not relevant to WSDP objectives.	The audit recommendation noted for remedial action
	Effectiveness: There were no set standard specifications for the	The audit recommendation noted for remedial action

	procurement;	
	There was no provision for O&M of the TV in case it breakdown.	The audit recommendation noted for remedial action
	Social Safeguards: No social safeguards are associated with the TV purchase.	The audit observation noted for remedial action.
	Activity 8 Supervision of WSDP Projects in LGAs **Economy** Activity was not budgeted for.	Activity was budgeted for, unfortunately, during auditing the auditor could not trace the activity in the MTF... however now it has been traced in the MTEF and ready for verifications at Kagera Rs.
	Efficiency: The activity was not not included in the MTEF;	Activity was budgeted for, unfortunately, during auditing the auditor could not trace the activity in the MTF... however now it has been traced in the MTEF and ready for verifications at Kagera Rs.
	No pre-qualified suppliers of fuel and lubricants;	The audit observation noted for remedial action
	The approved amount for fuel was Tshs 1,200,000 but the actual spent was Tshs 1,770,000;	The audit recommendation noted for remedial action
	The capacity of the fuel tank is 90 litres but all receipts show the car consumed 126, 125, 140, 110 and 100 litres of fuel respectively;	For long travel funds for fuel are taken as imprests so as to retired
	The accountability receipts do not indicate the actual mileage travelled;	The audit recommendation noted for remedial action.
	Payment was not checked by the internal audit department;	The audit recommendation noted for remedial action.
	There was no evidence of a supervision report and data collected	The report is available , it has been attached in the folder Kager –Kagera RS in the file Supervision report
	Effectiveness: In the absence of a report, it is not possible to assess the effectiveness of the activity.	The report is available , it has been attached in the folder Kager –Kagera RS in the file Supervision report
	Social Safeguards: Some social safeguards are implied to have been addressed but no report	The report is available , it has been attached in the folder Kager –Kagera RS in the file Supervision report

	Korogwe DC **Activity 1** Construction of District Water Engineer's office block by M/s Coastal Civil Engineering Ltd. **Efficiency:** There was no procurement records availed for review;	The audit comment is agreed. During the auditing the document was not presented because the time was too short. However, now the document are available for verifications at Korogwe.
	Cracks seen on the floor and other parts of the building;	The audit comment is agreed. However, cracks is only at building apron due to soil volume change and already DWE instructed to prepare cost for rectification
	No formal handover of the building.	Handover was officially conducted as evidenced by the letter DE was the project manager and Handled over the building through ref no.HWK/E.4/I/Vol. IV/9 Dated 20th Dec 2011 to DWE which is available at DWEs office
	Effectiveness: The building was completed but not being utilized;	During Auditor visit Officials were in the transition to transfer to new office, For moment the office is already in use since 28th Jan 2013
	There was no clear access to the building;	The audit comment is agreed. The process of finding permission from railway authority for road crossing.
	No O&M arrangements were seen.	The audit comment is agreed. However, O&M will be considered for the next budget since during retention period the contractor was responsible
	Social Safeguards: The building lacked ramps for access and the toilets were not marked by gender;	During auditors visits there were no any mark but now marks are available in all rooms are marked also ramp will be added at office fence.
	No EIA assessment was conducted.	The audit recommendation noted for remedial action.
	Lindi Municipal Council **Activity 1** Construction of Borehole – pumped scheme for Nanembo, Mkule and Mchochoro Streets in Lindi Municipality by M/s Musons Engineers Ltd.	
	Efficiency: There was no documentary evidence of bottom-up participation in the planning process;	The evidence for bottom-up participation in the planning process is available in the progress report submitted by consultant and which is found at DWEs office. The document is available for verification.

	No evidence of adoption of a bidding method;	The audit recommendation noted for remedial action.
	No register of tenders received and record of tender opening;	The audit recommendation is agreed as during auditing the register was not traced. However, now the register has been traced and is ready for for verification
	No evidence of approval of draft contract by the Solicitor;	The audit recommendation noted for remedial action
	No use of MIS in procurement;	The audit recommendation noted for remedial action
	Supervising Consltant's role was irregular as had no approvals for the contract;	The audit recommendation noted for remedial action
	No evidence of project/Investment committee in place.	The audit recommendation noted for remedial action
	Delayed completion of works;	
	No documentary evidence of community involvement in implementation.	The audit recommendation noted for remedial action
	Effectiveness: Investments not yet utilized since on-going;	
	Lack of budget provisions for O&M.	The audit recommendation noted for remedial action
	Social Safeguards: No evidence of active community participation in implementation of the project;	Community participation. The project designs was prepared by the Consultant and presented to the Community (in the presence of DWST) at a fourth meeting for final agreement, establishment of the community's commitment to their share of the construction inputs, and acceptance of full responsibility for subsequent operation and maintenance. The WATSAN Committee, with the assistance of the Consultant, assist communities in updating the Facility Management Plans. The community attendance list is within the consultant report at the respective LGAs.
	No evidence of implementation of environmental mitigations measures that were proposed.	The audit recommendation noted for remedial action

	Lindi Urban Water and Sewerage Authority: **Activity 1** Rehabilitation of Water Supply immediate works in Lindi Urban Water and Sewerage Authority by M/s Jandu Plumbers Ltd. **Efficiency:**	
	There was no evidence of bottom –up participation involving beneficiaries.	Bottom up participation is adhered to by Lindi UWSA; for example the Board of Directors members represent stakeholder from RS, MoW, Councillors, water consumers, and Women.
	No design report;	The design report (by Mott Mcdnald) is in place and available for verification at Lindi.
	Social safeguards not mainstreamed at Plans;	Social safeguards are mainstreamed in the planning process by including community needs at Board resolutions in the budget and plans. Ie Aged People and those with disabilities are identified at street/Ward governments and are allocated free water services from public kiosk. Management minutes and Plans are available for verification.
	Activity was contracted out;	Activity was contracted out because of the size of the contract and the MoU.
	No record of tenders received and of opening;	The tender file register is in place and available for verification at Lindi Offices.
	No notification of award of tender;	The audit recommendation noted for remedial action
	No evidence of approval of draft contract;	The audit recommendation noted for remedial action
	Signed contract was not seen; Un-approved variation for extra works worth Tshs.619,092,600;	Draft contract accepted and No objection granted by MoW PMU –and become no longer a draft , but the word “Draft” was mistakable undeleted
	Lacked specifications for works e.g. and BoQs for the engineer’s house was lumpsum at Tshs.335,000,000 and purchase of 2 vehicles at Tshs.78,000,000;	BOQ is in contract file. Quotation of two vehicles was done before the purchase.
	Work programme was in place but was not adhered to;	Delayed payments caused this. In future Management will make sure a work programme is followed in a timely manner.

	No project management committee; House built was locked at time of audit;	After completion of the project the house is used as the MD's residence and during the audit the MD was in DSM
	Notable delayed completion of works;	Works were delayed due to delayed payment of Interim Certificates
	Vehicles purchased lacked full supportive documentation as photocopies of Log Books were in the names of Jandu Plumbers and NOT Lindi UWASA;	All supportive documents for purchases Vehicles are available. Log books were in the name of Jandu Plumbers as per contract specification (item no1) the contractor required to provide the services to the residence engineer's. These vehicles were under resident engineer's office.
	Noted that accounting documents had been taken away by the PCCB and no copies were seen.	Due to time factor it was not easy to bring accounts documents from PCCB. In the future Management manage will make sure certified copies remain as originals needed by PCCB.
	Effectiveness: No quality control tests were seen to have been carried out although visual quality assessment of works was good;	Quality control test was carried out and reports filed in quality test file for verification, it is available for verifications.
	No O&M and Sustainability arrangements.	Documents for O& M Plans Budgets and activities for FY 2010/11/12 has been traced for verification
	Social Safeguards: There was no evidence of bottom –up participation involving beneficiaries.	Bottom up participation is adhered to by Lindi UWSA; through members of the Board of Directors who represent stakeholder from RS, MoW, Councillors, water consumers (Industrial & Domestic), and Women. They meet in each quarter and deliberate on the utility budgets, plans and project implementation progress.
	Social safeguards not mainstreamed at planning stage and no EIA was conducted.	Social safeguards are mainstreamed in the planning process by including community needs in the budget and plans. People with disabilities and aged are identified at hamlet /village/street government and are allocated free water services from public kiosk. The environmental mitigation measure was included in the rehabilitation plans and documented in the McDonald study report. EIA has been conducted for future expansion of the scheme under POYRY Consultancy.
	Activity 2 Consultancy Services for Design and Supervision of Lindi UWASA Water Supply Scheme by M/s Serueca in Association with Netwas Tanzania Ltd. **Efficiency:**	Bottom up participation is adhered to by Lindi UWSA; through members of the Board of Directors who represent stakeholder from RS, MoW, Councillors, water consumers

	No bottom –up participation involving beneficiaries in concept and design;	(Industrial & Domestic), and Women. They meet in each quarter and deliberate on the utility budgets, plans and project implementation progress.
	No Annual Procurement Plans;	Annual Procurement plan has been traced and available for verification.
	No approval for method of procurement;	Time based contract was approved prior to tender board evidence is available at Lindi for verifications
	No evidence of Tender Board Decision;	Tenders approval documentation has been traced and available at Lindi office for verification
	No letter of notification of award of tender;	Tenders award notification letter is in place and available for verification.
	No approval of draft contract;	Approval of draft contract is evidenced by No Objection which was honoured after approval
	Signed contract did not spell out the contract amount and duration;	The signed contract spelling contract amount is in place, The contract is available for verification.
	Activity was contracted out;	Activity was contracted out because of the size of the work.
	No work programme for the contract;	Work programme has been traced and available for verification
	No evidence that the Consultant's work was quality assured by management;	Quality of work was assured by the consultant documents to verify these are available for verification. Some are site meeting minutes.
	Original payment records had been seized by PCCB. Effectiveness:	Due to time factor it was not easy to bring accounts documents from PCCB. In the future Management manage will make sure certified copies remain as originals needed by PCCB.
	No reports on supervision were seen on outputs of the Consultant;	There are weekly/monthly and site meeting report; such documents are available for verification
	Social Safeguards: Whereas the design report addressed the social safeguards, implementation like EIAs was not enforced.	The audit recommendation noted for remedial action
	Maswa District Council: **Activity** Consultancy services for the construction supervision of works for the piped water supply system in the three villages of Malampaka, Sayusayu and Mwasayi	

	by M/s Netwas (T) Ltd. **Efficiency:** The activity was not in the MTEF and there was no evidence of participatory planning;	The MTEF summarized the key work for the water supply project which clustered all projects under the WSDP programm is available for verification.
	No procurement records were seen other than the signed contract;	The audit recommendation noted for remedial action.
	All supervised works were slow with hardly 50% progress on physical works;	The contact completion delayed suggesting for extension which didn't work, leading to consultant demobilisation. MoW is working on the matter
	No Consultant staff was found on any of the sites visited;	The contact completion delayed, suggesting for extension which didn't work, leading to consultant demobilisation. MoW is working on the matter
	Effectiveness: Except for training pump attendants, the consultancy contract does not have provision and measures of transference of knowledge to district officials both technical and contract management.	The audit recommendation noted for remedial action
	Social Safeguards: There is no evidence of beneficiary involvement during implementation of works;	The District water facility management plan which was compiled by a consultant after a through consultation with community from respective villages. It is available for verification.
	Other social safeguards like HIV/AIDs and Gender not addressed according to progress reports seen.	The audit recommendation noted for remedial action

	Moshi District Council: **Activity 1** Provision of Technical and Facilitation of Consultancy services for Rural Water Supply and Sanitation Sub Project by M/s Ces Consulting Engineers Salzgitter GmbH in Association with Mel Consult Ltd Hamburger. **Efficiency:** There was no evidence of bottom-up planning and beneficiary involvement. Their activity was not in the MTEF and budget;	Payment were done Centrally and Hence material were delivered to beneficiaries both issue voucher fully singed by village executive officers as per attachment in file Moshi The activity was included in the MTEF and budget. as per attachment in file Moshi Both CTB and CTM Members Appointments and Approval were done as per Attached as per attachment in file Moshi
	CTB minutes for approval of tender not seen; CTM members appointments were not seen; No progress reports were seen for the consultancy and no outputs were availed for review other than tender documents; Payment records were not availed.	The audit recommendation noted for remedial action
	Effectiveness: In the absence of reports, it was not possible to assess the effectiveness of this activity however some tender documents were seen.	Tender documents are both in Place and ready for Audit Verification. See attached tender board meeting of 24/03/2010 as per attachment in file Moshi
	Social Safeguards: In the absence of activity reports, it was not possible to assess the level of beneficiary involvement during implementation of the Consultancy as well as environmental aspects.	The project designs was prepared by the Consultant and presented to the Community (in the presence of DWST) at a various meetings for final agreement, establishment of the community's commitment to their share of the construction inputs, and acceptance of full responsibility for subsequent operation and maintenance. The WATSAN Committee, with the assistance of the Consultant, assist communities in updating the Facility Management Plans. The community attendance list is within the consultant report at the respective LGAs.

	Activity 2 Purchase of water pipes and accessories for Machoneni; Kidia, Kilema Penda by M/s Plasco Limited. **Efficiency:** There was no evidence of bottom-up planning involving beneficiaries; Request for quotation was to only one supplier; No records on stores management procedures and whether the supplies were delivered as required;	Request for quotation was sent to only one supplier hence He is the soul Manufacturer and there were Instruction from the Ministry of Water to Purchase Materials direct from Manufacturer. Both Materials were both received and recorded in Stores Ledger. as per attachment in file Moshi
	Payment was not commensurate to the LPO issued.	The audit recommendation noted for remedial action
	Effectiveness: No evidence of certification of the quality of supplies;	The Supplier is the Manufacturer of the Items Delivered valid test assurance.
	No O&M arrangements in place	The audit recommendation noted for remedial action
	Social Safeguards: Supplied were utilized and social safeguards were implied however beneficiary involvement at planning stage was not evident.	The project designs was prepared by the Consultant and presented to the Community (in the presence of DWST) at a various meetings for final agreement, establishment of the community's commitment to their share of the construction inputs, and acceptance of full responsibility for subsequent operation and maintenance. The WATSAN Committee, with the assistance of the Consultant, assist communities in updating the Facility Management Plans. The community attendance list is within the consultant report at the respective LGAs
	Activity 3 Purchase of water pipes and accessories for Extension of Pipeline for Longochi pipeline by M/s Plasco Limited. **Efficiency:** There was no bottom-up participation of beneficiaries from review of village files;	Beneficiary was fully involved during implementation of projects through self help.

	Request for quotation was made to only one supplier hence no competition was allowed;	Request for quotation was sent to only one supplier hence He is the Manufacturer and there were Instruction from the Ministry of Water to Purchase Materials direct from Manufacturer.
	No other auditable records of procurement on file.	Procurement Records are both in Place and ready for Audit verification.
	Effectiveness: No evidence of certification of supplies;	Both Supplies were of Good Quality hence the Supplier is the Manufacturer of the Items Delivered.
	No O&M arrangements in place.	O&M Policy is for the New Projects. However this project was for Rehabilitation
	Social Safeguards: No evidence of beneficiary involvement in planning and implementation; other social safeguards are implied	The project designs was prepared by the Consultant and presented to the Community (in the presence of DWST) at a various meetings for final agreement, establishment of the community's commitment to their share of the construction inputs, and acceptance of full responsibility for subsequent operation and maintenance. The WATSAN Committee, with the assistance of the Consultant, assist communities in updating the Facility Management Plans. The community attendance list is within the consultant report at the respective LGAs
	Activity 4 Supply of materials for construction of Maruweni Borehole of Mabogeni Kahe water supply by M/s Plasco Limited. **Efficiency:** There was no bottom-up participation of beneficiaries from review of village files;	Beneficiary was fully involved during implementation of projects through self help.
	Request for quotation was made to only one supplier hence no competition was allowed; No other auditable records of procurement on file.	Request for quotation was sent to only one supplier hence He is the Manufacturer and there were Instruction from the Ministry of Water to Purchase Materials direct from Manufacturer.
	Effectiveness: No evidence of certification of supplies;	Both Supplies were of Good Quality hence the Supplier is the Manufacturer of the Items Delivered.

	No O&M arrangements in place. Social Safeguards:	O&M Policy is for the New Projects. However this project was for Rehabilitation.
	No evidence of beneficiary involvement in planning and implementation; other social safeguards are implied	Beneficiary was fully involved during implementation of projects through self help.
	Activity 5 Purchase of water pipes and accessories for Extension of Pipeline for Mangola – Mande pipeline [pipes and fittings] by M/s Plasco Limited. **Efficiency:** There was no bottom-up participation of beneficiaries from review of village files;	Request for quotation was sent to only one supplier hence He is the Manufacturer and there were Instruction from the Ministry of Water to Purchase Materials direct from Manufacturer.
	Request for quotation was made to only one supplier hence no competition was allowed;	Procurement Records are both in Place and ready for Audit verification
	No other auditable records of procurement on file.	Procurement Records are both in Place and ready for Audit verification
	Effectiveness: No evidence of certification of supplies;	Both Supplies were of Good Quality hence the Supplier is the Manufacturer of the Items Delivered.
	No O&M arrangements in place.	O&M Policy is for the New Projects. However this project was for Rehabilitation.
	Social Safeguards: No evidence of beneficiary involvement in planning and implementation; other social safeguards are implied.	The project designs was prepared by the Consultant and presented to the Community (in the presence of DWST) at a various meetings for final agreement, establishment of the community's commitment to their share of the construction inputs, and acceptance of full responsibility for subsequent operation and maintenance. The WATSAN Committee, with the assistance of the Consultant, assist communities in updating the Facility Management Plans. The community attendance list is within the consultant report at the respective LGAs
	Ministry of Water (Headquarters):. **Activity (DRWS)** Provision of Consultancy Services for Assessment of Capacity Building Requirements to enhance Private	

	Sector Participation in the Rural Water Supply and Sanitation Sub-sector by M/s Achrid Limited.	
	Efficiency: No Capacity Needs Assessment report for the need to recruit the Consultant.	No Capacity Needs Assessment study was done. However experience had shown that the involvement of the private sector in water-related projects is still low as compared to other engineering fields such as roads, buildings etc. For instance, according to contractors registration board website (www.crbtz.org) out of 93 registered local and foreign civil engineering consultants, only 12 firms participate actively in water related projects and some 18 firms have recently shown interest to participate in projects advertised in October 2007 under implementation of RWSSP across the country. On the other hand, out of 1,672 civil works contractors that are eligible to undertake water-related construction activities of various complexities, only 56 have at one or more times been participating in water-related construction activities."
	No evidence of full beneficiary involvement in planning.	This activity was identified in the list of activities to be undertaken early during the start of WSDP. The activity was included during the design of the WSDP which involved all stakeholders through representation. The approval of the WSDP documents was done through a Joint Stakeholder's meeting conducted in the year 2006.
	Activity in Procurement Plan but the plan was not annualized.	The consolidated procurement plan is updated annually through MIS. The updating is of the plan is carried out in consultation with development partners. The Annual Procurement Plan can be traced in the consolidated procurement plan found in the MIS by using data and sort commands.
	Form of Contract does not spell out the purpose of the contract and amount	The Terms of Reference which used to guide the formulation of the contract was clearly stated the objective of the activity. However, the contract price has found to be seen in the payment schedule.. The contract documents is available for verifications.
	Contract is silent on payment period and delays of work.	The Private Sector Participation is a Lump sum contract signed 10.4.2012. The payment schedule which depends on deliverables is on clause 6.4 (a) to (g) on page 19 and the sanction on delay of implementing the contract is stipulated in General Condition of contract clause number 2.6.1 from page 9 to 10 The contract document is available for verifications at MoW
	No evidence that the draft contract was reviewed by	Normally the Contract documents do reviewed by a Legal Expert and sent to the

	a Legal Expert or Attorney.	World Bank for No Objection. The a letter ref. Na. CEA 543/544/0B dated 6th March, 2012 is the reference for the of communications made for the review of draft contract it is available at MoW for verifications
	Delay in procurement procedure i.e. 23rd March 2009 to 10th April 2012 when contract was signed.	The initiation of the procurement process of the consultant was started in March 2009. However, while the procurement was in the process, it was postponed for a review during the midterm review conducted in early 2010 followed by restructuring which resulted to removal and addition of some activities. Furthermore the scarcity of fund was another problem caused to delay the signing process of the contract.
	No notification of Award.	Notification of award in the consultancy is usually provided during negotiation meeting. The negotiation meeting for this activity was held on 9th June, 2011. The minutes is available at MoW for verifications.
	No progress reports seen.	The Audit comment is adhered to. The consultant submitted inception report and inventory of Private sectors. While the progress report was submitted on 27th March, 2013. after the conduction of the workshop on 19th and 20th of March, 2013. They are available for verifications at MoW.
	Delayed completion of the activity by 6 months.	The delay was caused by release of funds. Meanwhile the Consultant has already submit the Inception Report and the Progress Report is expected to be submitted on 27th March,2013
	Two vouchers seen each for Tshs.50, 151,064 but one voucher not numbered was not cancelled and approval was up to the last stage.	The payment amounting to Tshs.50, 151,064 was paid once as per cash book attached. During the audit exercise there was another voucher traced for the same amount which was not paid because of some delays. The voucher has now cancelled as per procedures and is available for verifications.
	Activity (DWR) Supply of Automatic Weather Stations and Standard Rain gauges for MoWI and BWOs by Ms Vaisala Metsales, Finland.	
	Activity not easily traceable in the Annual Budget (Memoranda Ya Mpango Na Bajeti Ya Wizara Ya Maji Na Umwagiliaji)	The audit comments are adhered to. The *memoranda ya mpango na bajeti* follows governmental system whereby all items say for component 1 are itemised under one name of the project through budget for development. However, the specific item such as Supply of Automatic Weather Stations and Standard Rain gauges for MoWI and BWOs can be traced in the action plan, procurement plan and work plan.
	Activity in Procurement Plan but the plan was not annualized.	The consolidated procurement plan is updated annually through MIS. The updating is of the plan is carried out in consultation with development partners. The Annual

		Procurement Plan can be traced in the consolidated procurement plan found in the MIS by using data and sort commands.
	Activity was contracted but, letter of appointment of evaluation committee missing.	The audit comment is adhered to. During auditing the letter was note traced. However, now is available for verifications.
	Lacked duration in the special Condition of Contract.	The audit comment is adhered to. Management will make sure that special conditions of Contract are included in the contracts.
	No evidence the contract was reviewed by a Legal expert.	The audit comment is adhered to. During auditing evidence the contract was reviewed by a Legal expert was note traced. However, now is available for verifications at MoW
	Activity for installation and training on site has delayed to be completed.	The activity was delayed due to delays in release of funds to carry out the activity. The client (MoWI) was contractually supposed to bear the costs associated with installation and training on site
	Payments executed 102% including letter of credit which is outside the norm.	The 2% reflected the Bank charges associated with opening of the Letter of Credit.
	Advance payment made 9th April 2010 after expiry of performance guarantee on 31st March 2010.	Advance payments were delayed due to delays in release of funds
	Payments did not follow agreed periods i.e. were delayed	Payments were delayed due to untimely release of WSDP funds.
	Effectiveness: A number of supplies delayed to be utilized. No evidence of O&M	The audit comments is agreed. The supplies were delayed to be utilized due to the fact that they needed to be installed and the funds for installation were not released timely
	Social Safeguards: A number of equipment not yet installed hence beneficiary satisfaction not assessable	The audit comments is agreed . However, so far all the equipment have now been installed; the last installation exercise took place in February, 2013. Delays were caused by late release of funds.
	Activity (DAHR) Consultancy Services for Supervision of Proposed Rehabilitation and Extension of Office Accommodation to the Ministry of Water and Irrigation by M/s Nosuto Associates.	
	Economy • PV No.49VC8007964 for Shs.9,021, 906 was also missing.	The audit comments is agreed. However, the voucher has been traced and ready for verification at MoW.

	Efficiency: • Planning for Block B disregarded a warning from Ministry of Works received on 17th March 2006 indicating that the block lay in a road reserve; the Consultant supervised the same.	Construction of block "B" started before receiving the said letter from Ministry of Works. As the Ministry had serious office Scarcity, and level of construction had Foundation and walls completed, it was decided to complete the building to carter for office problem as an immediate measure.
	• Activity in MTEF but no evidence of approval by the Budget Committee.	The MTEF document is usually discussed, and approved by the management before being forwarded to the Ministry of Finance for scrutinization. MTEF document is shared to all stakeholders including DPs for their comments and is approved through TWGs, WSWG, and SC meeting. The evidence of this participatory process can be seen in a number of minutes of TWGs, WSWG and SC meetings as well as Aide Memoire which are available at MoW for verifications
	Activity not easily traceable in the Annual Budget (Memoranda Ya Mpango Na Bajeti Ya Wizara Ya Maji Na Umwagiliaji).	Activity for construction and rehabilitation of office buildings can be traced in the "Memoranda ya Mipango na Bajeti ya Wizara ya Maji na Umwagiliaji" of 2009/2010 and 2010/2011 as per Government Framework for preparation of MTEF which has to be complied by all MDAs.
	• Activity in Procurement Plan but the plan was not annualized.	The consolidated procurement plan is updated annually through MIS. The updating is of the plan is carried out in consultation with development partners. The Annual Procurement Plan can be traced in the consolidated procurement plan found in the MIS by using data and sort commands.
	The SCC in the original contract did not spell out the payment schedule.	The activity was implemented between 2008/2009 and 2011/2012.
	• Contract was for 6 months & expired on 9th August 2009; No official EoT was issued until Addendum No.1 signed 30th September 2010.	The work stopped awaiting addendum due to additional work which was first to be performed and then to continue with normal work
	• Poor supervision leading to specifications not being followed by the contractor.	There was a slight changes in order to allow plastering and other that was caused by types of materials used which was not considered during design
	Social Safeguards: • Ramps at building accesses are installed however there were no instruction for considerations for disabled in the toilets.	Audit observation is noted. Consideration of disabled in the toilet will be done after cross-checking the availability of space if not another toilet for them will be constructed.
	Activity (DAHR) Rehabilitation and Extension of Office	The audit comments is adhered. The paid amount is included in the addendum No. 2 which was not in place during audit exercise. The addendum No. 2 amount to Tshs.

	Accommodation at MoWI Head quarters by M/s Syscon Builders Ltd. Economy: • 95.6% Economy score; Overpaid by Tshs.44,321,883	81,520,972.25 and approved by the tender board which is now in available at MoW for verification
	Efficiency: • Planning for Block B disregarded a warning from Ministry of Works received on 17th March 2006 indicating that the block lay in a road reserve; Amount spent on the block is Shs.193,947,760	Construction of block "B" started before receiving the said letter from Ministry of Works. As the Ministry had serious office Scarcity, and level of construction had Foundation and walls completed, it was decided to complete the building to carter for office problem as an immediate measure
	• Activity in MTEF but no evidence of approval by the Budget Committee.	The MTEF document is usually discussed, and approved by the management before being forwarded to the Ministry of Finance for scrutinization. MTEF document is shared to all stakeholders including DPs for their comments and is approved through TWGs, WSWG, and SC meeting. The evidence of this participatory process can be seen in a number of minutes of TWGs, WSWG and SC meetings as well as Aide Memoire, they are available at MoW for Verifications
	• Activity not easily traceable in the Annual Budget (Memoranda Ya Mpango Na Bajeti Ya Wizara Ya Maji Na Umwagiliaji).	Activity for construction and rehabilitation of office buildings can be traced in the "Memoranda ya Mipango na Bajeti ya Wizara ya Maji na Umwagiliaji" of 2009/2010 and 2010/2011 as per Government Framework for preparation of MTEF which has to be complied by all MDAs
	Activity in Procurement Plan but the plan was not annualized.	The consolidated procurement plan is updated annually through MIS. The updating is of the plan is carried out in consultation with development partners. The Annual Procurement Plan can be traced in the consolidated procurement plan found in the MIS by using data and sort commands.
	• Contract expired 7th June 2009 and addendum was approved on 14th September 2010 one year and 3 months after expiry of contract.	The addendum was submitted before expiry of the contract, but failure to submit justification for various items by consultant constituted delay for approval.
	• At the rating tank, the specified size of external door was 1.8x3.0m but installed 1.78x2.4m; plate thickness of 4mm was used instead of 6mm specified.	Observations are noted. As the final account is not yet submitted by the consultant such issues will be discussed when final account is submitted.
	Under element 5 – rating tank windows, the clear glass thickness installed is 4mm instead of specified	Observations are noted. As the final account is not yet submitted by the consultant such issues will be discussed when final account is submitted.

	6mm;	
	• Under Block E, heavy duty mild external door was installed with clear 4mm instead of one-way glass 6mm; the door size supplied was smaller i.e. 1.38x2.75m instead of 1.77x2.75m.	Observations are noted. As the final account is not yet submitted by the consultant such issues will be discussed when final account is submitted.
	Block E, thickness of paneled doors is 39mm instead of 45mm as was specified.	Observations are noted. As the final account is not yet submitted by the consultant such issues will be discussed when final account is submitted
	Block B, thickness of paneled doors is 39mm instead of 45mm as was specified.	Observations are noted. As the final account is not yet submitted by the consultant such issues will be discussed when final account is submitted.
	• Block B, aluminum windows certified 85m2 instead of 45m2 causing an overpayment of Shs.4,400,000.	Observations are noted. As the final account is not yet submitted by the consultant such issues will be discussed when final account is submitted.
	External works amounting to Shs.17,220,000 were not done but certified and paid under Valuation No.7 of 3rd January 2012 Ref: NST/082/01/02.	The external work included construction of car park and pavement construction in front of Block "B"
	• No evidence of public hand over of works.	Completion certificate was issued during handing over , public handing over is an option.
	Effectiveness: • Quality of works undermined by not following specifications;	The observation is noted and will be considered in future
	• Poor workmanship on one window at rating tank; a few glasses seen cracked.	The observation is noted and will be considered in future
	• No evidence of deliberate consideration of O&M budgets and expenditure.	O&M budgets and expenditure are provided as incremental costs
	Social Safeguards: • Ramps at building accesses are installed however there were no considerations for the disabled in the toilets.	The observation is noted and will be considered in future

	Activity (HICT) Provision of Consultancy Services for the Design Development and Implementation of the Water Sector Development Programme Management Information System by M/s NPK Technologies Ltd	
	Efficiency: • Activity was not in the MTEF but in the work plan for FY 2010/11; MTEF was also not approved;	**PROJECT NO 2325**> Water Sector Coordination and Performance with Monitoring with **TARGET** Effective sector ICT and communication mechanism in place by 2012/2013,Activity reference no **C06C01**-Prepare and execute Sector ICT which was under Basket fund so this explain that it was in the MTEF. MTEF was approved by management meeting followed by TWGs, WSWG and SC.
	• No evidence of beneficiary involvement at planning stage;	The planning and development team was established with representations from departments and Units at the Ministry of Water. However, during designing stage there was a series of presentations to users at the Ministry. The names for task force team are available. Unfortunately, task force proceedings were not documented for future reference and this will be critically considered during MIS scaling up/out or in any other assignment.
	• Original contract was for Design and Implementation of Computerised Document Management System which went through the normal procurement signed on 27th July 2009 (Tshs.53,185,000) for up to 30th August 2010.	These were two different activities. The Design and Implementation of Computerised Document Management System was planned in MTEF - FY **2008/09** under PROJECT 6284: Public Service Reform programme (PSRP II). The Provision of Consultancy Services for the Design Development and Implementation of the Water Sector was executed under MTEF – FY 2010/11: PROJECT NO 2325.
	• Another contract for backup hosting service for 12 months at a cost of Tshs.9,175,340.16 also emerged and was passed by the Ministerial TB. This should have been an addendum;	The audit recommendation is adhered to. However, it was intended these two assignments not to be incorporated in one contract or hosting not to be addendum because MIS hosting and backup services can be provided by any other firm in future. The developer was contracted this assignment at that stage in order to ensure that the system is available and reliable during that initial stage/period of implementation and avoid any inconveniences caused by hosting services when using another party.
	• The Ministerial Tender Board Approval forms read: "…..permitted further processing of signing the contract with the winning consultancy", signed by Secretary. But there was no competitive tendering!	Due to urgency of the system to support the preparation of IFRs by that time, the MIS design and implementation was done as a single source because NPK technologies already had an assignment with the Ministry through PSRP II for the design of document management system.

	• Bi-weekly progress reports as required by ToRs were not seen;	The audit comment is adhered to. However, the consultant made presentations to the taskforce on progress weekly but unfortunately the Ministry did not consider the progress reports for future usage. The Ministry promise to take this into consideration during MIS scaling up/out or any future assignments.
	• Other reports not seen include: System operationalisation & maintenance; System implementation and roll-out project report; system testing and initial data report; system development report.	The audit comment is adhered to. The Ministry will ensure that all reports are kept in order and made available.
	Effectiveness: • MIS network speeds are too low;	The audit comment is adhered to. However, procurement has been initiated to increase speed of internet bandwidth from 2Mbps to 10Mbps using Optic Fiber services through TTCL.
	• MoHSW as well MoETV cannot use the system to monitor and supervise their activities being implemented by LGAs as required;	The audit comment is adhered to so that existing challenges are determined and resolved. However, staff from MoEVT, and MoHSW who are involved in WSDP have been trained to use MIS on 4th – 8th March 2013 in Morogoro. Other training will be provided to them during MIS scaling up/out to cover M&E (physical aspects) in FY 2013/2014.
	• MIS is not integrated to include other existing systems especially in LGAs.	The audit comment is adhered to. This will be taken into consideration during the scale up/out MIS in the FY 2013/2014
	Social Safeguards: • There was no evidence of a wide involvement of beneficiaries during implementation of the MIS;	The project designs was prepared by the Consultant and presented to the Community (in the presence of DWST) at a various meetings for final agreement, establishment of the community's commitment to their share of the construction inputs, and acceptance of full responsibility for subsequent operation and maintenance. The WATSAN Committee, with the assistance of the Consultant, assist communities in updating the Facility Management Plans. The community attendance list is within the consultant report at the respective LGAs
	• Environmental data was not integrated in the system.	The audit comment is adhered to. This will be taken into consideration during the scale up/out MIS in the FY 2013/2014

	Mwanza City Council Activity: Drilling of Exploratory and Productive Boreholes For Water Supply at Lwanhima, Fumagilia,Nyamadoke, Kahama, Nyamwilolelwa, Igogwe, Kabusungu, Sangabuye and Nyafula Villages, Mwanza City by M/s Maswi Drilling Co. Ltd	
	Economy: • Payment documentation was not availed.	The consultant issued payment certificates and vouchers were prepared by Mwanza City Council for payments. All vouchers available for verifications.
	Efficiency: • Delayed completion of works by 9 months without penalty;	There were no delays as the project extension of time was justified by the Engineers at no cost to the client. Letters which is evidencing it is available for verifications.
	• No progress reports by the supervising consultant were seen;	Reports for implementation of works available.
	• No payment vouchers were availed for review;	The consultant issued payment certificates and vouchers were prepared by Mwanza City Council for payments. All vouchers available for verifications.
	• The boreholes were not publicly commissioned.	Boreholes are capped until pumps are installed and then commission exercises follows.
	Effectiveness: • The two boreholes inspected did not meet the requirement for use as production wells as their yields were below the required 3 m^3/h;	The boreholes are fit for hand driven pumps but if need be they can supply water to reserve tank for use of community.
	• The council does not have maintenance plans and budget for the facilities although mobilised user groups to contribute funds.	The Rural Water Supply and Sanitation Project (RWSSP) is divided into implementation phases; Phase I was to establish Watsan Committees and their responsibilities, their involvement in the design phase including establishment of water accounts and sanitation Plans.
	Social Safeguards: • The project installations are not labelled;	The boreholes will be numbered after the issue of water rights from the basin water office.
	• The project did not address any environmental and social mitigation measures	The RWSSP has got an Environmental and social mitigation measures. Reports are available

	• There was no evidence of participation of users especially in selecting sites and implementation.	The project is demand responsive and the communities have been involved from formation of Watsan Committees, boreholes selection, water account contribution and volunteering.
	Pangani Water Basin Office: **Activity:** Drilling of 30 exploratory cum to productive boreholes in Rombo and Sanya plains [15 in each] by M/s Maji Tech Engineering Limited	
	Efficiency: • There was no evidence of participatory planning involving beneficiaries;	The beneficiaries were involved in the planning process in the form of written letters to the District Commissioners and District Executive Officers of Hai and Rombo informing them about the objectives of the boreholes drilling work and also presenting all the relevant information regarding the project. Letters to this effect are attached.
	• Delayed completion of works;	Delayed completion of works is due to delays in release of WSDP funds and therefore the Contractor suspended works.
	• No evidence of hand-over of the completed boreholes.	This is because of delaying completion of project (by Contractor) due to delays in release of WSDP funds and therefore the Contractor suspended works.
	• Effectiveness: Only 15 boreholes were drilled instead of 30.	15 boreholes were drilled in Sanya Plains (Hai District Council) and water was struck in all boreholes however in Rombo District Council only 5 boreholes were productive i.e. water was struck only in 5 out of 15 boreholes
	• The work plan had a provision for O&M but no evidence of execution.	The execution for O&M will be done under the organization/institution that will be operating the boreholes. For example for the Sanya Plains boreholes the Sanya Kware WUA in Collaboration with the Hai District Council will enter into an agreement with the Pangani Basin Water Board (PBWB) for operating the boreholes. Likewise in Rombo District Council. A draft MoU is attached for reference.
	Social Safeguards: • The BoQs were silent about social safeguards and environmental screening.	Environmental screening was done although it was not included in the BOQ. The environmental screening report is attached. The project was C and an environmental checklist prepared

	• No evidence of beneficiary involvement during implementation.	The beneficiaries are being involved now in the operationalization of the boreholes. As stated above a draft MoU between PBWB and the Sanya Kware WUA in collaboration with Hai District Council for operating the boreholes is in works and attached for reference.
	Same District Council: **Activity:** Drilling of Exploratory and Productive Boreholes for Water Supply in Same District Council (Kizungo,Myombo, Bendera, Karamba, Kisesa, Hedaru, Gonjanza, Mteke, Mwembe and Sambweni villages) by M/s Hydro Tech Tanzania Ltd. **Economy:** • 95.2% economy rating while works are still on-going and the contractor was overpaid by Tshs.15,000,000.	There was overpayment of 15,000,000. Consultant overlooked to deduct the advance payment as it was to be done in every certificate. However the overpaid amount was refunded to the RWSSP A/C No.50 by the contractor and consultant via receipt No.140815 and 140816 they are available for verifications at Same.
	Efficiency: There was no evidence of bottom-up planning or beneficiary involvement from the village files reviewed;	The involvement of Villagers is appearing in the physical progress report submitted by the consultant to the client, the report include minute of the meeting and attendance. Report is in the District office for verifications . It might not be included in the village file because the book /report has the volume not easily to be attached as the file folio.
	• Delayed completion of works Overpayment.	Drilling works was completed in Feb 2011 and the completion certificate is available for verifications.
	Effectiveness: • No O&M arrangements in the budget	The audit comment is noted. O and M budget will be reflected in the future budget.
	No evidence of beneficiary involvement during planning and implementation of the project	The involvement of Villagers is appear in the physical progress report submitted by the consultant to the client, the report include minute of the meeting and attendance. Report is in District office for verifications. It might not be included in the village file because the book /report is too big not easily to be attached as the file folio.

	Same District Council: **Activity:** Provision of Technical and Facilitation Consultancy Services for RWSS sub project (scoping study, assist in preparation and update of DWSPs, preparation of detailed designs, hydro-geological investigations, tender documents, develop potential productive boreholes and supervise the drilling works, etc) by M/s Howard Humphreys (Tz) Ltd. **Efficiency:**	The following document are now available in file for the said Activity. 1.Advertizement(news paper) 2.tender documents and minute of evaluation 4.Awarding 3.Contract book The file is available in the district office for verification
	• There missing procurement records;	The audit comment is adhere to. During auditing documents were not traced. However, now they are available for verifications.
	No Consultant's reports were availed for review.	The audit comment is adhere to. During auditing documents were not traced. However, now they are available for verifications.
	Effectiveness: • In the absence of Consultant's outputs, it was not possible to assess how effect the activity was; tender documents were however utilized.	The audit comment is adhere to. During auditing documents were not traced. However, now they are available for verifications.
	Social Safeguards: • It was not possible to assess beneficiary involvement during implementation of the Consultancy in the absence of reports.	The project designs was prepared by the Consultant and presented to the Community (in the presence of DWST) at a various meetings for final agreement, establishment of the community's commitment to their share of the construction inputs, and acceptance of full responsibility for subsequent operation and maintenance. The WATSAN Committee, with the assistance of the Consultant, assist communities in updating the Facility Management Plans. The community attendance list is within the consultant report at the respective LGAs

	Sengerema District Council: *Activity:* Construction works contract for the Nyehunge and Kalebezo piped water supply system (boreholes and pump houses, laying transmission and distribution mains and construction of storage reservoirs) by M/s Pet Cooperation Ltd.	The audit comment is adhered to. During auditing documents justifying whether procurement method was approved by TB were not traced. However, now they are available at Sengerema for verifications.
	Efficiency: There was no evidence that the procurement method was approved by TB;	The audit comment is adhered to. The documents approved by TB have been traced out it is available for verifications.
	Letter of appointment of the TEC and its report were not seen;	The audit comment is adhered to. The letter has been traced out it is available for verifications.
	Poor keeping of procurement records;	The audit comment is adhered to. The management will make sure that procurement records are kept properly.
	No work programme submitted by the contractor to guide implementation;	The audit comment is adhered to. The work programme has been traced out it is available for verifications.
	Slow progress of works;	The audit comment is adhered to. The management will make sure that progress of works is improved.
	Since works contract commenced, the supervising consultant has not produced any progress reports to assess how the issues are being addressed;	The audit comment is adhered to. The progress reports have been traced out they are available for verifications.
	The auditors were not availed the MIS reconciliation report	The audit comment is adhered to. The management will make sure that MIS reconciliation report is available.
	Effectiveness: No tests have been conducted on completed works & workmanship was poor;	The audit comment is adhered to. The management will make sure that tests for completed works are conducted. Works of poor quality will be corrected as per specifications.

	There will be under utilization of the water reservoir, the design did not consider the existing tank;	The audit comment is adhered to. The management will make sure that existing tank is considered in the designing and actual work.
	No O&M arrangements in place.	The audit comment is adhered to. The management will make sure that O&M arrangements in place.
	Social Safeguards: Land for reservoir was obtained without compensating the land owner; Social safeguards are not addressed in the BoQ and not being implemented.	The audit comment is adhered to. The management will make sure that Land for reservoir is compensated.
	Sengerema District Council: **Activity:** Construction works contract for the Nyamutelela piped water supply system (boreholes and pump houses, laying transmission and distribution mains and construction of storage reservoirs) by M/s Luneco Investments Ltd. **Efficiency:**	The audit comment is adhere to. During auditing documents justifying whether procurement method was approved by TB were not traced. However, now they are available for verifications.
	Letter of appointment of the TEC and its report were not seen;	The audit comment is adhered to. The letter has been traced out for, it is available for verifications.
	Poor keeping of procurement records;	The audit comment is adhered to. The management will make sure that progress of works is improved.
	No programme of works;	The audit comment is adhered to. The work programme has been traced out it is available for verifications.
	No progress reports seen;	The audit comment is adhered to. The progress reports have been traced out, they are available for verifications.
	The auditors were not availed the MIS reconciliation report.	The audit comment is adhered to. The management will make sure that MIS reconciliation report is available.

	Effectiveness: No O&M arrangements in place.	The audit comment is adhered to. The management will make sure that O&M arrangements in place
	Social Safeguards: Social safeguards are not addressed in the BoQ and not being implemented;	The project designs was prepared by the Consultant and presented to the Community (in the presence of DWST) at a various meetings for final agreement, establishment of the community's commitment to their share of the construction inputs, and acceptance of full responsibility for subsequent operation and maintenance. The WATSAN Committee, with the assistance of the Consultant, assist communities in updating the Facility Management Plans. The community attendance list is within the consultant report at the respective LGAs
	Implemented facilities not engraved to avoid double accountability and foster transparency.	The audit comment is adhered to. The management will make sure that the Implemented facilities are engraved.
	Tanga City Council: **Activity :** Provision of Technical and Facilitation Consultancy Services for RWSS sub project – Phase I by M/s COWI Tanzania Consulting Engineers and Planners Ltd. **Efficiency:** Activity could not be traced in the Council MTEF;	The provision of Technical and Facilitation Service for Rural water Supply and Sanitation – Sub project was accommodated in the Council project planning as can be found in MTEF of the year 2010/11 and 2011/12. The budget for the year 2010/11 was 538,580,751/- and the year 2011/12 was 79,700,000/-. The council had signed the contract with Consultant M/s COWI Tanzania Consulting Engineers and planners Ltd to perform the activities in Phase I (*see attachment in the Tanga folders*)
	No records of Consultant's outputs at the City Council;	The Consultant performed all the required activities by stages as agreed in the contract and produced the reports as required. The following reports were produced and submitted to the Client (Tanga City Council) as per contract and were scrutinized and approved and readily available. The reports in –question is as listed below 1. Scoping study which comprises of (a) Water supply and sanitation report (b) Social Economic report (c) Environmental assessment report (d) Hydrogeological and geophysical survey report 2. District Water Supply & Sanitation Plan. 3. Designs and cost Estimate document 4. Package for contracting the works and Tender document.

		5. Facility Management Plan Document (FMP)
	Hedging seems to have caused payments to exceed Contract amount.	The Council had engaged and signed the contract with M/s COWI Consulting Engineers and Planners Ltd to perform the activity with contract sum amounting USD 146,002 in Phase I. In special condition of contract, clause no. 6.2 The amount in foreign currency 146,002. Payable in local currency at the Bank of Tanzania Selling rate ruling on the date of payment. It is true that agreed amount in Tanzania shillings was exceeded due inflation of Tanzania currency. During signing of contract the exchange rate was low, while on invoice/payment date the exchange rate was high. Due to that the local currency was high although the USD currency was still the same with the currency which was addressed in contract agreement
	Effectiveness: In the absence of reports, it was not possible to assess how effective the Consultancy was. Some tender documents were however seen.	All reports as per contract agreement in Phase 1 are in place. These reports are as followings. 1. Scoping study report which comprises of (a) Water supply and sanitation report (b) Social Economic report (c) Environmental assessment report (d) Hydrogeological and geophysical survey report 2. District Water Supply & Sanitation plan. 3. Designs and Cost Estimate document 4. Package for contraction the works and Tender document 5. Facility Management plan Document (FMP) Social safe guard – has been addressed in social economic study vol. 1. & II reports. The effectiveness of the consultant is unquestionable due to the fact that all the reports were produced as the Terms of Reference and Contract agreement;
	Social Safeguards: In the absence of reports, it was not possible to assess whether social safeguards were properly addressed during implementation of the consultancy.	Social safe guard has been addressed in Social economic Study vol. I & II reports submitted by consultant(*see attachment in the Tanga folders*)

Annex 3: Value for Money Audit Standards

Value for Money Audit Standards

The standards below were developed for use by the consultants undertaking a VFM audit under UPIMAC Consultancy Services Ltd. These standards represent a minimum package that must be met by the firm's consultants while undertaking any VFM exercise for the firm's clients.

General Standards:

- The Code of Professional Conduct must be adhered to at all times, while carrying out activities on behalf of the firm.
- All VFM audits must be completed in accordance with the firm's auditing standards.

Audit Conduct Standards:

The following essential standards for VFM auditing shall be followed;

- The audit team shall have individuals who have an objective state of mind and are independent.
- Due care shall be exercised at all times during an audit
- The Firm shall at all times ensure close supervision of all audit teams and the members.
- Every audit team member shall have knowledge of the subject matter and auditing proficiency to meet the requirements of the audit
- The audit team must obtain sufficient and appropriate consultations and feedback throughout the audit.
- The audit team must always seek the client's views about critical elements of the audit.
- The audit team must access, collect, review and maintain documentation relevant to the audit.

Audit Examination Standards:

- Audits must have a clear scope regarding the extent, nature and timing.
- Audits must select issues based on the client's terms of reference, mandate, significance and auditability.
- Audits must have clear objectives that can be concluded against where necessary
- Audits must have sufficient evidence to support observations and conclusions
- Audits must generate practical and realistic recommendations to guide future collective action.
- Audits must have sufficient observations to support conclusions.
- Audits must result in a report that meets the firm's reporting standards and the client's needs.

Audit Reporting Standards:

The output of each audit must be a report covering the following;

- Objective, scope, nature, time period of the audit;
- the professional standards used;
- a description of the program that was audited and where applicable management responsibilities;
- observations made;
- the recommendations;
- management comments (if provided);
- conclusions reached against each audit objective; and
- follow-up action or plans suggested.

Annex 4: List of Key Informants

Implementing Agency	No.	Name	Title	Contact
Bagamoyo DC	1	Karim H. Hoza	DPlO	0754377859
	2	Albert A. Kweyunga	Ag. DTR	0755876094
	3	Tumainiel J. Kamnde	Ag. DSNO	0753286030
	4	Nicas Ligombi	Ag. DWE	0767973913
	5	Jason N. Raphael	Water Technician	0755750231
Bukoba DC	1	Gladys S. Dyamvunye	DED	0765855065
	2	Eng. Ndolimana A. Kijiga	DWE	0756655675
Bukoba MC	1	S. Rujuguru	Ag Municipa Director	0754816554
	2	Eng. Severin Rugemalia	MWE	0758180321/ 0784439326
	3	Eng. Felix Constantine	Ag Municipal Supplies Officer/ Water Engineer	0757650410
Bukoba UWSA	1	Stephen Milwekamwa	Ag MD	0713350090
	2	Florence J Osano	Ag FM	0753567879
	3	Bayina B Ndibalema	Business Manager	0782610283
	4	Susan C Kisanga	Supplies Officer	0758207684
	5	Charles M Chibuga	OPM Engineer	0754513364
DAWASA	1	RitaMary Lwabulinda	Financial Audit Manager	0715003600
	2	Grace Kasongwa	Budget Manager	0784337766
	3	Romanus Mwangigo	Program Development Manager	0713351495
	4	Hellen Lusogo	Ag. Procurement Manager	0754461715
	5	Nolasco Reneld	Quantity Surveyor (DCL)	0752401727
	6	Iyad Abu Awaad	Site Engineer (CEC)	0762175678
	7	Bariki Kwayu	Resident Engineer (DCL)	0767289638
Handeni DC	1	Eng. Richard Macha	DWE	0754469852
	2	Leonard D Mkagullah	Ag DPLO	0784310666
	3	Fadril R Mdee	Ag. DHRO	0713106073
	4	Marius F Lubura	HPMU	0713571000
	5	Saturine J Kessy	Internal Auditor	0713289005
	6	Elizabeth Moses	Accountant	0713946046
Handeni Truck Main	1	Eng Musiranga P	Water officer	0754058475
Himo DUWSA	1	Issa Y Osena	Ag MD MUWSA	0713247517
	2	Benson Maro	CIA	0714400575
	3	Joseph Msiru	FAM	0787696969
	4	Aicetha Massawe	Assistant FO	0754815294
	5	John Ndetico	FO	0754298862
Internal Drainage BWO	1	Mtoi Kanyawanah	Water Officer	0754596122
	2	Mbazi Eliuto	Accountant	0718995010
	3	Florence Lyimo	Community Deve't Officer	0713762372
	4	Jumanne B. Matetelo	Hydro-geologist	0759075375
	5	Ximay Bura	Environmental Engineer	0757934717
Kagera RS	1	Eng. Lwakatare Atugonza		
Kibaha TC	1	Jenifa Omolo	TD	0756390421

Implementing Agency	No.	Name	Title	Contact
	2	Bernard Ochieng	Procurement officer	0715748945
	3	Grace Lyimo	TWE	0732158425
	4	Amkanane Ngilangwa	TPLO	0754758043
	5	Suzana Chaula	TT	0767806376
Kilwa Masoko UWSA	1	Fromemnce F. Matem	Manager	0784624800
	2	Wasi Wasi Abdala	Stores Assistant	
Kisarawe DC	1	Majid A. Mtili	DWE	071468022
	2	Eohraim Matemu	DPO	0655254747
	3	Andrew Simba	CC	0713666615
	4	A Lekule	Ag. DT	0755247620
	5	Rajabu R. Kigwa	Asst Technician	0712606284
	6	All S. Nzwenge	Water Technician	0754527206
	7	Eliwalio Isangya	V.E. O	0713351632
	8	Nguyeje	Chairperson Water Source User Committee	0737153848
Korogwe DC	1	Eng. Swai A. E	DWE	0773777491
	2	R. N Mweru	Ag DWE	0714297990
	3	Mathayo Temi	Ag PO	0712846578
	4	Edina A Katataiya	Ag DPLO	0718992408
Korogwe UWSA	1	Justine Kisingi	Commercial Manager	0714811507
	2	Sifael T Masawa	Technical Manager	0713044541
	3	Joseph Mcharo	Ag MD	0713698322
	4	Hamisi Ramadhan	Principal Technician	0715871500
	5	Magreth Yohana	Accounts Assistant	0715933415
Lindi MC	1	Mayombo F. A	Municipal Water Engineer	0787003900
	2	Upendo R. Nendo	Ag. Municipal Supplies Officer	0714290237
	3	Ruben E. Urasa	Economist	071579055
	4	Caen Mwakalile	Ag. Municipal Treasurer	0714154096
	5	Sakidi Njajigwa	Eng	0713/076741303
	6	Tulusubya K	Municipal Treasurer	0784251366
	7	Raphael Waryana	Procurement Officer	0788367080
Lindi UWSA	1	Agnes Sinkala	Exp Accountant	0755426101
	2	Raya Mchapo		0784215141
	3	Aletius Kalumuna	Internal auditor	0767231642
	4	L. Shitindi	Ag. M.D	0753691551
	5	Matunda Kevin	FAM	071118886
	6	Mwakilema A. J	Technical Manager	0682400197
	7	Wolfram Chilawanga	NS	0714818387
Maswa DC	1	Paulina Ntagaye	Ag DED	0769369737
	2	Joseph S. Budaga	Ag DWE	0752178560
	3	Shadrack Jineneke	PMU	0784847456
	4	Steven Mrena	Accountant	0784523434
	5	Raphael Shija	Water Technician	0783457470
Maswa NP	1	Geoffrey Hilli	Ag Managing Director	0784483116
Mhunze DUWSA	1	George S. Kessy	Ag. DED	0782063541
	2	Nicholas Besilia	DEO (S)	0787443781
	3	OscrMsalikwaa	Ag. DT	0773260780
	4	Lucas Said	DWE	0784620548

Implementing Agency	No.	Name	Title	Contact
	5	Pharles Mahushi	Ag. DPLO	0789364004
Mkuranga DUWSA	1	Abdu Waziri	Manager	0719150122
	2	Obindi J. Wembe	DT	0784299780
	3	Athuman Kinhi	Accountant	0784139079
	4	Iddy Raph Mtendo	Accountant	0786042080
	5	Eng. Cemary Matitu	District Water Engineer	0713401779
Mombo DUWSA	1	Emmanuel L B Masura	Commercial manager	0754413076
	2	Masudi Saidi	Finance Manager	0784804213
	3	Elipidi Manase	Technical manager	0656830804
	4	Tupa S William	RAS Representative	0784741238
Moshi DC	1	Brownman Lyimoi	DWE	0754469403
	2	Daniel R Mtiiye	Accountant	0756246268
	3	Safiel D Mnguu	Ag DPLO	0682184082
	4	Rose P Mahiku	HPMU	0758303180
	5	Elifadhili Mrutu	Ag DWE	0754965284
Moshi MC	1	Neville D Msaki	MC Water Engineer	0713498743
	2	Charles G Heska	Quantity Surveyor	0784698425
	3	Ritte W.R	Ag HoD FT	0784631573
	4	Hassan Ussi	Ag HOU [IA]	0754319030
	5	Lucia Ngilorit	HoD CD & SW	0784503566
	6	Festo Mwangalika	Ag MHRO	0786973113
MoW	1	Eng. Dr. Justus Rwerabula	Director	0753277247
	2	Christer Mchomba	Principle Engineer	0754684273
	3	Abdallah Abdalrahma	Engineer Coordinator RWSSP	0783538096
	4	Woiel A. Malya	Head Department Management Unit	0754470110
	5	John Sanzage	Water Eng. RWS	0782564858
	6	Rita Kilwa	Principle Engineer	0788429223
	7	Mathew M. Masangu	Engineer	0713309036
	8	George V. Lugomelo	Asst. Director	0784574122
	9	Bahati B. Joram	Ag. Asst. Director	0784454544
	10	Joseph G. Kakunda	Asst. Director	0784660591
	11	Gabriel A. Saete	DPP	0780003530
	12	Eng. Yohana Monjesa	DUWS	0784663065
	13	Naum Lipimo	ADWR	0713222022
	14	Thamari D. Mwambeso	Asst. Director Admin	0782771340
	15	Arch David S. Kabezya	Architect	0763202020
	16	Mujungu Baraka	ADHRM	0715472140
	17	Pascal Karomba	Senior Acct	0716168237
	18	Jean Mary Hayuma	FMS - WSDP	0713322314
	19	Hartensia Ngaiza	Internal Auditor	0713526393
	20	Shija Kazumba	CEO - WDMI	0786331037
	21	Elinide Madiwa	DBS - WDMI	0755861518
	22	Mgata R. Mgata	SSO - WDMI	0713463436
	23	Juma Nzige	SEO - WDMI	0754457970
	24	Adam Karia	Head of Dept - ICT	0787483003
	25	Beatrice Musa	Head of Finance & Accts	0716188999

Implementing Agency	No.	Name	Title	Contact
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	27	Elimringi A. Motta	Ag. EWM - DDCA	0718003095
	28	Juma M. Salum	EWPO - DDCA	0655204736
	29	Sara Msang	Ag. HL - DDCA	0757750267
	30	Andrew Bilikwija	Soil Technician	0712607300
	31	Winfrida Nshangeki	DSC	
	32	Emmanuel N. Enock	WASH Coordinator	
	33	Samson W. Sampa	PECON	
	34	Tomohiro Kato	JICA/RUWASA - CAD	0784341898
	35	Aya Kadokani	JICA/RUWASA - CAD	0684665107
	36	Fred Lerise	GIZ/GDC	0754826899
	37	Satorn Ueda	WB	0683168295
	38	Gabriel Lwakabare	WB	0784608270
	39	Nsaa-Iya Amaniel	DPG Water Secretariat	0767218091
	40	Watarn Teramae	WB	0687244494
	41	Gatrude Mapuda Kihunrwa	DFID	0763820052
	42	Lucas Kwezi	DFID	
	43	Elias B.M Chinamo	Asst. director Environmental Health hygiene and sanitation	0784831623
	44	Theresa Kuiwite	Environmental Education - MoETV	0786700576
	45	Millen Meena	MoETV	0754496149
	46	Charles M. Maghembe	Acct – Rural Dept	0713828896
	47	Dorisia Z. Mulashani	Ag. ADCM	0784299207
	48	David S. Kubezya	Principle Architect (DAHRM)	0763202020
	49	Hamadi Y. Msuya	HPMU - DDCA	0754877833
	50	Mbaraka M. Kumenya	PSO – PMU - DSM	0786360349
	51	Anna S.S Mamiw	SSO PMU	0754846681
	52	Lucy Herman	Records PMU	0754469046
	53	Juma M. Salum	EWPO - DDCA	0655204776
	54	Joseph S. Shao	Accountant	0714004565
	55	Joyce Christopher	Sen. Int Auditor	0713465626
	56	Dionis Temba	Accountant	0658266902
	57	Julai Amos	Quantity Surveyor	0754762349
	58	Felista Buzuka	Accountant	0752583178
	59	Joyce Makwega	Accountant	0754862489
	60	Asha Fussi	Record Management	0752446641
	61	Tumuiniel Machu	MoW	
	62	Japhary M. Kachenje	MoW	
	63	Salome Simba	MoW-ICTU	
	64	Segule Segule	MoW	
	65	Eng. Amani I.B. Mafuru	MoW-Ag. DUWS	
	66	Faya Sabina	MoW-LSU	
	67	Grace Nsanya	MoW-DWR	
	68	Philipo C. Chandy	MoW-DWQ	
	69	Nadhifa S. Kemikimba	MoW-DWQ	
	70	T. Aron	MoW-DAHRM	

Implementing Agency	No.	Name	Title	Contact
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	72	Ndongo Madala	ICTU-MoW	
	73	L.E Muudunda	CA	
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	2	Kajema P Ferdinand	Economist	0767030105
	3	Nuru B Kideya	Technician	0768679860
	4	Juma Yahaya	DWE	0763439133
	5	Mwakipesile Samwel	Technician	0755409993
Mwanza CC	1	Tito Jeremiah Mahinza	Ag City Director	0756145400/ 0788145400
	2	Anna S. Mbawala	City Water Engineer	0713481305
	3	Peter M. Manolho	Supplies Officer	0713431341
Mwanza RS	1	Kulwijila N.S	Ag. DED	0755-017999
	2	Eng. W.K. Sanya	AAS- Water	0752501209
Mwanza UWSA	1	Eng. Anthony Sanga	Managing Director	0757595572
	2	Daniel M. Chegere	Technical Manager	0767435748
Nasio DUWSA	1	Dr. L. W. Masale	DED	0784305863
	2	W. Kahuramanga	DWE	0714621464
	3	Edward P Joseph	Ag. MD	0717370580
Ngudu DUWSA	1	Pendo A Malabeta	DED	0784401725
	2	Eliakim N Ole-Wavii	DALDO	0754230332
	3	Maro Christopher	Internal Auditor	0754663118
	4	Boaz Pius	DWE	0713230925
	5	Charles Bomana	Ag. DT	0765210585
	6	Charles Nguzu	Manager Ngudu UWSSA	0713482078
Pangani WBO	1	Elibaraki Simon Shanguya	Accountant	0713078814
	2	Maria Shauri	HPMU	0754807478
	3	Linda Masamu	SO	0752638695
	4	Martin Daudi	Hydro geologist	0714643181
	5	Philipo Patrick	Ag Water Officer	0784951068
Rufiji DC	1	Titus Solola	Principal W. Technician	0784380841
	2	Simon P. Chiboko	Commercial Manager	0767985294
	3	Eng. Fobert Andrwe	DWE	0714561493
Rufiji WBO	1	Grace Chitanda	Hydrologist	0754481132
	2	Kessy Elmosana E	Basin Accountant	0762332205
	3	Benedict Pius Mikongoli	HPMU	0769833838
	4	David Munkyala	Hydrologist	0764770622
	5	Charles M Mengo	Environmental Engineer	0655012061
	6	Atika Y Mlowe	SRMA	0754654823
Same DC	1	Marisanga Elifadhili	Accountant	0782724253
	2	Swaumu Mabruki	SO	0717790898
	3	Sarumbo O Muray	Ag SO	0714248626
	4	Mussa E Msangi	DWE	0712189695
	5	Stella S Sasita	Economist	0712270267
Sengerema DC	1	Vincent Bushaija	Ag.DED	0786706341
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Implementing Agency	No.	Name	Title	Contact
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Tanga CC	1	Jacob J Mgimwa	Ag CWE	0716054077
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	3	Lusungu Masangula	TECHNICIAN	0714780052
	4	Rehema Kajembe	Ag SO	0715381879
	5	Mbongo Anna	CITY TREASURER	0754471857
	6	Sigifridi Asani Kaunara	CITY HRO	0752556022
	7	Josephat L Nyaki	Ag CIA	0654650673
Tanga UWSA	1	Eng. Joshua Z Mgeyekwa	MD	0784512248
	2	Haska F Ndalama	HRM	0719001111
	3	Eng. Farles Aran	TM	0784531215
	4	Beatus Gulabagarira	Ag IA	0713902425
	5	Alex Mpambije	Ag. HPMU	0713706165
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