

**VALUATION OF ENCOUNTERS FRONTING SUPERVISION OWNED  
MOTOR VEHICLES DISCARDING OF STATE AUDIT OFFICE IN  
TANZANIA**

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**ABSTRACT**

This study aimed at evaluating the encounters fronting supervision owned motor vehicle discarding. The research conducted at State Audit Office in Tanzania. The factors that contribute to discrepancies in procurement procedures of motor vehicle discarding and measure to mitigate the problem analyzed. The study involved 60 respondents from different organization and stakeholders dealing with motor vehicle transportation in Tanzania such as NAO, DART, TEMESA, TANROADS, TAZARA, TAMISEMI, TANESCO, TFDA, NIT, and TBS. The study employed non-probability sampling method to get these respondents. Furthermore, the study employed two method of data collection including, interviews and questionnaires. The study analyzed data qualitatively and descriptively. Tables and charts, made to analyze the collected data. The study findings show that lack of knowledge among staff about rules and regulations governing motor vehicle discarding and computation of the depreciated motor vehicle, and procedure for disposing motor vehicles is long and complicated and lack of participation of staff in the process. The study concluded by stating that disposal of motor vehicles which has been used by government institution and ministries should be after five years from the date of they were received. Workers belongs to organization should be informed the method that will be used for discarding and given first priority to bid for the vehicles and if the buying process goes well make payment within 90days. Computation of salvage value of assets should be calculated properly by knowledgeable staff to get the correct price value.

**KEYWORDS:**

Valuation, Encounters Fronting, Supervision Owned Motor Vehicles Discarding, State Audit Office, Measure to mitigate the problem

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**INTRODUCTION**

During British Colonial and soon before independence of Tanganyika, the State Audit Office called 'The Audit department'. It was part of the British Overseas Audit services based in London. The head of this Office called the director of Audit as per the Audit Ordinance cap 86 that was governing audit activities since 1957. The office had only one office located in Dar es Salaam city at Kivukoni Front Street. It was auditing the accounts of the whole supervision as the Government management system was centralized. Tanzania decided to enact the public audit act no 11 of 2008. This law governs the operations of the State Audit Office. Among major issue introduced by this law is tenure of the CAG, retirement age of CAG, widening the scope of the audit, adoption of international auditing standards, financial independent, and appointment of External Auditor of the National Audit Office (EANAo)

The PPA, Cap 410 is applicable only when it comes to dispose of public assets by tender and that is why Regulation 40(2)/97/2005 takes you back to the Finance Act for PE to get approval of the Permanent Secretary to the Treasury. Regulation referred states that, the Permanent Secretary to the Treasury must authorize any discarding by tender by a PE. Decision for disposal of motor vehicles in an organization needs to be made in a meticulous manner for ensuring proper governance and better use of public funds, Organizations having capital items like production machines and motor vehicles have to set out internal policies on how the assets will be disposed of as their use depreciate to zero. It has been used for a long time government owned motor vehicle are disposed and out without details of their status such

as depreciations rate. The Ministry of Works (Mow) is responsible for Government owned motor vehicles.

Most of the motor vehicles would just be regarded as minor and left grounded the the yards, written off in the assets registers or sold by public auction if regarded as major assets. When the PPA No. 21 of 2004 came in force, it insisted on the use of public tendering in disposing of assets such as motor vehicles, just like procurement. Mostly, the section guiding procurement would also refer to as being applicable to disposal of motor vehicles. The proposed study is intended to focus on the challenges associated with disposal of motor vehicles so as to reduce cost of those accumulated absolute assets in the warehouse or yard, although there are instruments which help to guide the partitions, there are some signs which show there are some problems to be solved in order to make disposing practice effective. Some of these indicators are delaying of disposal process, complains from staff, maintenance and storage cost.

Moreover, Regulation 253 of the Public Finance Regulations states that "Except for minor items, the authority of the Permanent Secretary is required for the writing off ledger charge and Discarding of all unserviceable or obsolete stores, vehicles, plant and equipment." Those were the area whereby the value of the assets to retain considered in order realizing salvage value that ultimately saved public scare resources. After identifying that, certain motor vehicles needs to be disposed by considering time factor and ability to function, workers are informed of the method that will be used to dispose which is lending to them so that they could apply, government workers who are in need of buying depreciated motor vehicles channels their application to the management of public service. Presidential office this done after application having been approved by the accounting officer or any one representing the former.

Once all the above, have been fulfilled, applications are channeled to the Ministry of the infrastructure in order to get the value of the motor vehicle to be disposed. The Ministry of infrastructure is the one, which calculates the salvage value of motor vehicles once they are depreciated or after getting old, at this step applicants are required to pay for the so-called valuation fee. Accounting officers not allowed issuing motor vehicle to the applicant before receiving the letter from the Treasure office showing that the applicant has already started paying his/her loan or has already paid full amount.

The NAO has been coming across a number of encounters while disposing assets, they include. Lack of knowledge about the process of disposing motor vehicles, especially in the area of rules, regulations. Guidelines, and procedures stipulated in the Public Finance Act No. 6 of 2001 (Principal Legislation Revised Education 2004) and its regulation 257 (1) of the Public Regulations , this was more observed to user department staffs as they stressed that top Management, heads of divisions and PMU have no programmer to empower and educate final users about procedures and guidelines of disposing assets though they are the key personnel in the process especially when it comes to identifying assets to be disposed.

The other area in which the NAO have a encounter is computation of assets value, computation of the depreciation of assets is not accurate. Value of the assets to be disposed out is not correct and in most cases has been devaluated, officials/employees in charge of disposing capital assets deliberately, have been undervaluing organization assets that are to be disposed in order to purchase the item for him / her, resulting into loss public money. Furthermore, the process of disposing motor vehicles, including guidelines and procedures is long, difficult, and complicated, as it needs external organ, board of survey to make decisions of item needs to be disposed. The NAO by itself have power of exposing deteriorated assets without consultation from the board of survey. Other complications could be seen for example from the initial stage of identifying assets to be disposed, some staff are not ready for whatever kind of assets to be identified for disposal, and then it happens that they agree to identify they are not ready to release the identified assets a matter that delays the process.

Therefore, there is a need of reviewing and make some additional inputs to rectify the abnormality. It was suggested that a policy should be established to the organizational level instead of making use of national wise policy, on top of that, the review of the policy should be participatory, that is, it should also involve other stakeholders including staffs to air out their views since they are the implementers of such a policy and for those who won't get a chance to participate in the policy reviewing they should be given education through seminars to understand procedures that need to be followed during the disposal of capital assets. In addition, the general objective of the study is to assess motor vehicle disposal to the loss of revenue in the Tanzania government. The disposal of government owned motor vehicle will bring awareness to the road transport stakeholders regarding rules and regulations in the public sector in relation to motor vehicle disposal process. The study also will help procurement department assesses its performance and develop suitable policies improve their services to the National Audit Office and its stakeholders regarding the benefits of disposal of motor vehicles. The study used as a road map towards strategic procurement practices in the public sectors.

## **2. Theoretical literature review**

The procedures for disposing public assets including motor vehicles are outline in the Public Finance Act No. 6 of 2001 (Principle Legislation Revised Edition ,2004) Regulation 257 (1) of the public regulation states that stores, vehicles, plant, equipment or such items which although serviceable are no longer required by the Government. If they sold, must be disposed of by the public or by tender public advisement, unless the specific approval of the CAG has been obtained for them to be sold by other means. The PPA, Cap 410 is applicable only when it comes to dispose of public assets by tender and that is why Regulation 40(2)/97/2005 takes you back to the Finance Act for PE to get approval pf the Permanent Secretary to the Treasury. Regulation referred states that, the Permanent Secretary to the Treasury must authorize any disposal by tender by a PE. Decision for disposal of motor vehicles in an organization needs to be made in a meticulous manner for ensuring proper governance and better use of public funds, Organizations having capital items as if production machines and motor vehicles have to set out internal policies on how the assets will be disposed of as their use depreciate to zero. It has been used for a long time government owned motor vehicle are disposed and out without details of their status such as depreciations rate. The Ministry of Works (Mow) is responsible for Government owned motor vehicles.

Most of the motor vehicles would just be regarded as minor and left grounded the the yards, written off in the assets registers or sold by public auction if regarded as major assets. When the PPA No. 21 of 2004 came in force, it insisted on the use of public tendering in disposing of assets such as motor vehicles, just like procurement. Section 58(2) of the Act states subject to this Act, all procurement, and disposal shall be conducted in a manner to maximize competition through efficiency, transparency, and value for money. Section 59(1) of the same Act specifies further by stating that using the methods of approved in regulations depending on the type and value of procurement and in any case, the successful tender shall be tender offering the lowest evaluated cost.

Mostly, the section guiding procurement would also refer to as being applicable to disposal of motor vehicles. The proposed study intended to focus on the challenges associated with disposal of motor vehicles to reduce cost of those accumulated absolute assets in the warehouse or yard. Although there are instruments, which help to guide the partitions, there are some signs, which show there are some problems to solve in order to make disposing practice effective. Some of these indicators are delaying of disposal process, complains from staff, maintenance and storage cost. Moreover, Regulation 253 of the Public Finance Regulations states that "Except for minor items, the authority of the Permanent Secretary is required for the writing off ledger charge and Disposal of all unserviceable or obsolete stores, vehicles, plant, and equipment." Regulation 254 (1) of the Public Finance Regulations (Condemnation of Unserviceable Store etc). States that "Where it was considered that stores, vehicles, plant or equipment have reached the end of their useful life or are beyond economical repaired or are unserviceable for any other reason or had become redundant through obsolescence they must be retained until a sufficient

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quantity has accumulated to merit the convening of a Board of Condemnation to inspect them. Those were the area whereby the value of the assets to be retained should be considered in order to realize salvage value, which ultimately saved public scare resources.

Regarding the process of disposing motor vehicle from the NOA, the process of disposing motor vehicles start by determining the time at which the Ministry has used the motor vehicle. This is because in order for the motor vehicle to be disposed, it is mandatory for such a motor vehicle to have been used by the government for not less than five years, from the time the ministry acquired it or when the car gets old to an extent that cannot be used by the government any more. After identifying that, certain motor vehicles needs to be disposed by considering time factor and ability to function, workers are informed of the method that will be used to dispose. Which is lending to them so that they could apply, government workers who are in need of buying depreciated motor vehicles channels, their application to the management of public service Presidential office, this done after application having been approved by the Accounting officer or any one representing the former.

The NAO has been coming across a number of challenges while disposing assets, they include lack of knowledge about the process of disposing motor vehicles, especially in the area of rules, regulations, guidelines, and procedures stipulated in the Public Finance Act No. 6 of 2001 (Principal Legislation Revised Education 2004) and its regulation 257 (1) of the Public Regulations. This was more observed to user department staffs as they stressed that top Management, heads of divisions and PMU have no programmer to empower and educate final users about procedures and guidelines of disposing assets though they are the key personnel in the process especially when it comes to identifying assets to be disposed.

Furthermore, the process of disposing motor vehicles including guidelines and procedures is long, difficult, and complicated, as it needs external organ; board of survey to make decisions of item needs to be disposed. The NAO by itself have power of exposing deteriorated assets without consultation from the board of survey. Other complications could be seen for example from the initial stage of identifying assets to be disposed, some staff are not ready for whatever kind of assets to be identified for disposal, and then it happens that they agree to identify they are not ready to release the identified assets a matter that delays the process.

### 2.1 The pragmatic review

The procedures of appointment of Board condemnation and how the Board will conduct the inspection are explained in the Regulation 255 and 256 of the Public Finance Regulation respectively. Procurement Entity to Seek the permission to the Ministry concern informing that the PE need to dispose the certain items identified by PE itself. And we know all that the ministry concern for all public assets is the Ministry of Finance and Economic Affairs under its department of Public Asset Management /Stock verifier office.

The government had been concerned with the level of public expenditure and has raised doubts concerning both the levels of effectiveness and efficiency being achieved by public sector, Public sectors impose public ownership with obligations concerning public accountability which lead to prescribed methods of public purchasing, and prescribed policies towards the treatments of suppliers. Government policies with regard to competitive tendering procedures in public sector purchasing and the need to obtain value for money in purchasing has been traditional considered as the major aspect. Government owned motor vehicles are procured by using public money, which normally accrued from Taxpayers, Grants, Grants, Loan, and Development Partners. On the Other hand execution of the expenditure involved is guided by the public procurement Act (PPA) No. 21 of 2004 the Regulations of 2005. Corrupted risk assessment of how a public sector agency manages the disposal of goods and properly, is likely to identify some or all of the following corruption risks; an employee deliberately undervaluing agency assets that are to be disposed of with the aim of purchasing the items for himself or herself.

## 2.2 Tanzania case Study

A study conducted by Jolia (2006) on disposal of public assets owned assets revealed that, to be specific there should be more transparent, predetermined selected criteria for disposal of public assets making them known to the Public as well as involving stakeholders such as PPRA in the divestiture program. Public procurement must always be effective. Guidelines and regulations must also be followed and adhered to in order to ensure proper performance and execution of the project planned to be performed. All procedures and regulations must be met by all procurement practitioners in carrying out procurement activities pursuant to the Public Procurement Act No. 21 of 2004 and its regulations. Public Procurement Planning determines the duration of each action and will bring economy and value of money. The PE shall be guided by the standard procurement processing time given in the Third schedule of Public Procurement Act and must be followed and adhered to in order to ensure proper performance and execution of any plan.

Government and non - Government Institutions are heavily investing in Information and Communication Technologies (ICT) to enhance their business and operational activities. This trend has partially been inspired by the lift of computer ban in 1980's where millions of ICT assets had been imported. Subsequently, there is a rapid increase of internet service provider's mobile service providers and ICT asset vendors' countrywide. This implies a massive increase in imported ICT assets as well as the number of ICT assets that are going out of the ICT asset life cycle. In order to study challenges facing Tanzania in disposing, two (2) dumping sites and two (2) recycling sites were visited with the aim of observing waste management practices on site and the survey were conducted through web link sent to respondents over the email and face book ( a social networking site). The survey was stopped after reaching 12 respondents out of 15-targeted respondents for waste management organization and 9 respondents for selected organizations which are major consumers of ICT. Were found as challenges facing Tanzania in disposing end of use ICT assets, lack of ICT asset disposal policies, procedures and IACT management plan, storage challenges, lack of trained personnel and disposing infrastructures, legal aspects challenges, recycling capacity challenges, and privacy, confidentiality and information security concerns.

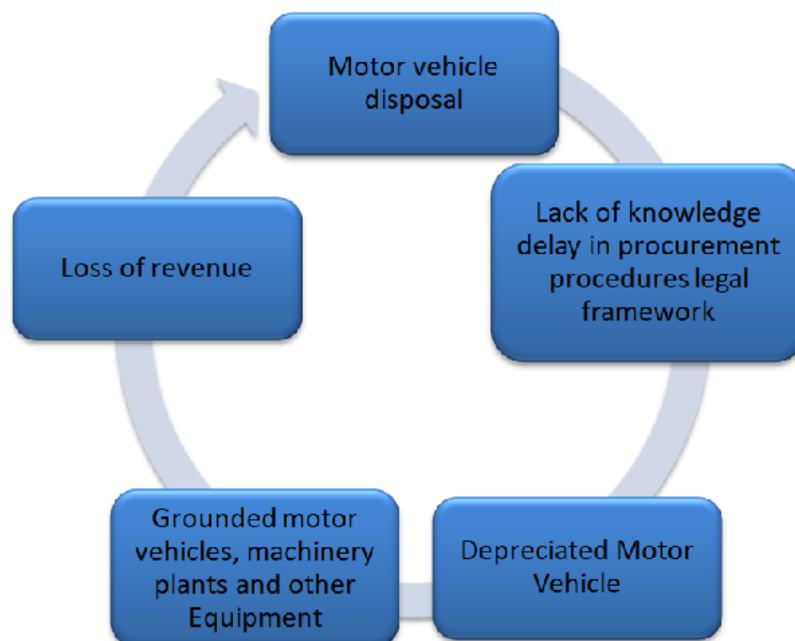
In 1986 there were approximately 700 computers in Tanzania and least three computer vendors country - wide. Currently there are approximately 350,000 computers in use in the country and hundreds computer vendors. Because of this, the number of Internet service provider's data service providers and mobile service providers has increased. Currently, there are about 23 internet service provider, 16 data service providers and 6 major mobile operators, including Tigo, Vodacom, Zantel, Tanzania Telecommunication Company Limited and Airtel, 16 data service providers and 23 internet service providers. All of these are directly or indirectly contributing to the increase of importation and usage of ICT assets. Consequently, the increase in ICT asset importation contributes significantly to e - waste generation. For example, all mobile services providers are importing massive numbers of cellular phones and related accessories which in turn contribute to e - waste similar to the data services providers ISP's and government and non - government institutions which imports data communication equipment of all sorts. This prolific increase of ICT asset importation and usage is driven by government's removal of all taxes and duties on computers and waste peripherals (Shimba et al, 2011).

The studies conducted in Tanzania regarding medical waste management which described that medical waste management in Tanzania as being poor and that the general awareness or issues related to medical waste management, is lacking among the medical waste generators (i.e. health facilities) and handlers example staff involved in handling waste (Manyele et al., 2003; Manyele, 2004b). As Wile, 2003 discovered that even though there is an established blueprint for disposal of capital assets, still quarries arise due to the following reasons: Policies and procedure for disposal of Capital assets are not fully adhered doing the process other procedures are considered useless. There is no proper reporting mechanisms, due to poor salvage policy, it result into memory in terms of recording, the report concerning whether certain assets is ready for replacement in terms of economic shelf - life are also delayed. This results to compelling the company to incur a cost in terms of security, deterioration, theft, trying up of space and risk of herds Unavailability of large commercially runs incinerators to cater for large volumes of unwanted medicines.

**Table 1 Motor vehicle disposal implications to loss of revenue**

Author	The theory approach	The main factors for disposal of assets
Jolia (2006)	Government assets disposal	Transparency, Accountability and good governance
Manyele et al,2003 and Manyele, 2004b	Medical waste management	Managing disposal of medical waste in TZ
Wile,2003	Disposal of capital Assets	Established blueprint for disposal of capital assets
Matiku,2011	Disposal of unwanted medicine	Managing disposal of unwanted medicine
Nkinga,2003	Public procurement reforms	Strong procurement s a tool for achieving political, economic and social goals

From the **figure, 1** below Motor Vehicle disposal is an independent variable and Loss of revenue is dependent variable. Most of the motor vehicle disposals are done without following the proper procedure as per Public Procurement Act No 21 of 2004 and its ammendements. There are intervening variables such as lack of knowledge, delay in procurement procedures, legal framework, and existence of regulatory bodies, which affect the process for motor vehicles disposal and cause loss of revenue to government



**Figure 1 Motor vehicles disposal to loss of revenue**

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### 3 Methodology

The methodology for assessment of the national procurement system is intended to provide a common tool, which developing countries and donors can use to assess the quality and effectiveness of the national systems. The working group developed two types of indicators, the baseline indicators and compliance and performance indicators, the compliance and Performance Indicators deal with how the system actually operates. They are closely related to the application of the legal regulatory framework and the prevailing Procurement practices in the country. The purpose of the assessment is to obtain data that used in the assessment of some of the compliance and performance indicators, of the Research Design The research approach followed descriptive approach with gathering of qualitative and quantitative data from different sources to assess Motor Vehicle Disposal to the Loss of Revenue in Tanzania government. Primary data collected through face-to-face interviews with the respondents, questionnaires. Secondary data obtained through books, journals, articles and report both published and unpublished.

*Table, 2 Study Population Distributions*

Organization	Population
NAO	5
DART	4
TEMESA	9
TANROADS	6
TAZARA	8
TAMISEMI	3
TENESCO	5
TFDA	4
TBS	6
NIT	10
<b>Total</b>	<b>60</b>

Table 2 describe population is a group of individuals, Stakeholder of Maritime Transport and business community at large constitute the population of this study. The researcher used a study population of about 60 staff and stakeholders from different organization the sample size for this study was selected basing on the critter

#### 1. Sample size

The sample of respondents selected from a population of 60 respondents. The distribution of respondents is shown in Table 3.4.1 above. By using Slovin's ample formulae for finding sample size (Candida, 2016)

$$n = \frac{N}{1 + Ne^2}$$

Where;

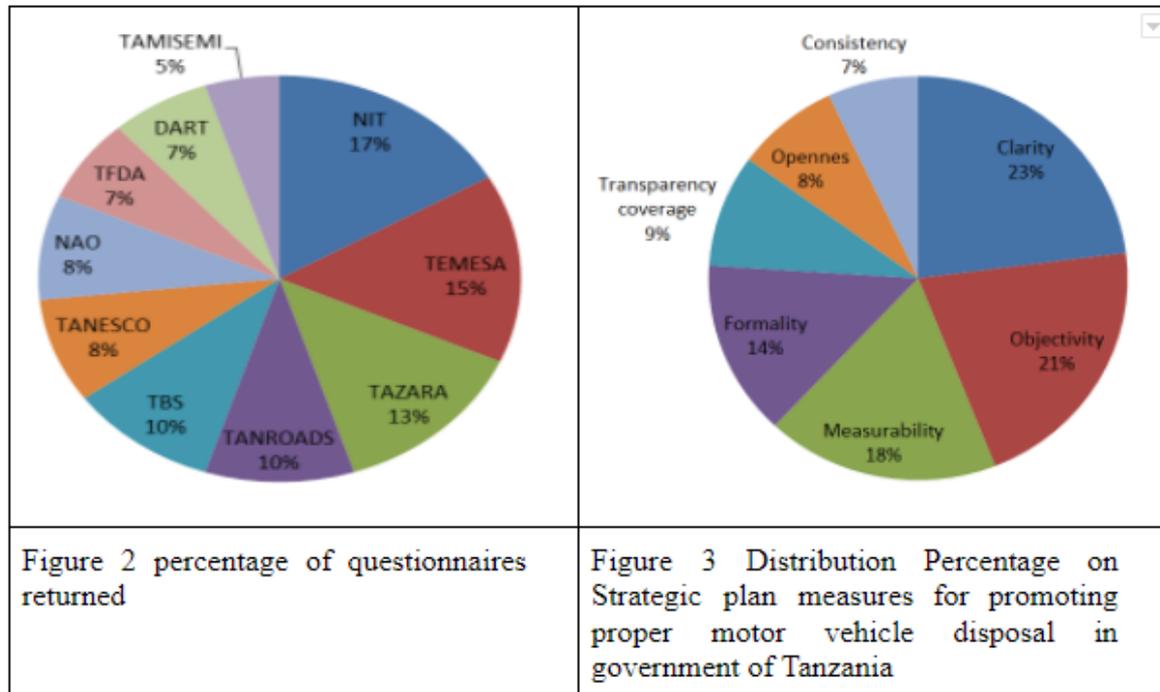
n= sample size of individual respondent,

N= Target population

e= level of statistical significance and in this study was 0.095

$$n = \frac{60}{1 + 60(0.0901)^2} \cong 44.89$$

Sample sizes of 40.8 respondents have been involved in the study. The sample can be broken down into the following sample size: 05 respondents NAO officials, 04 respondents DART officials, 09 respondents TEMESA officials, 06 respondents TANROADS officials, 08 respondents TAZARA officials 03 respondents TAMISEMI S officials, 05 respondents TANESCO officials, 04 TFDA officials respondents, 06 respondents TBS officials and 10 NIT officials respondents



### 3.2 findings and discussions

The research results show that disposal of motor vehicles in the NAO are carried under the rules and regulations stipulated, in the Public Procurement Act No.21 of 2004 (PPA) and its regulations 2005. Whereby procedures for disposing public assets are outline is the Public Finance Act No.6 of 2001 (Principal Legislation Revised Edition, 2004). The process of disposing motor vehicles starts by determining, the time at which the Ministry, which is five years from the date it was required by the government, after that workers are informed of the method that will be used to dispose, has used the motor vehicle. Workers who are in need of buying vehicles channels their application to the Management of public Service Presidential Office, after that, applications are channeled to the Ministry of infrastructure in order to get value of motor vehicle to be disposed. The technical director's report from ministry of infrastructure will be presented to the Permanent Secretary Public Service management who will offer the certificate of allocation to the applicant, then after, the applicant is supposed to pay the customer duty and register the car as his/her own private car within 90 days.

#### 3.2.1 Respondents on factors that hinders the efficiency of Motor vehicle disposal

The data were collected from different respondents who had attained different levels of education. Majority of the respondent was well educated and gives relevant information to the researcher. The findings of respondents were Master degree holder, 24.66% were Postgraduate diploma holder, 41.09% were bachelor degree holder, 6.85% were Diploma holder, and 5.48% were Certificate holder. The participant observation during interviews with experts from different agencies revealed as the following below.

- Lack of knowledge among staff on disposal procedures
- There is a tendency of delay in procurement process
- There is lack of legal framework
- Existence of regulatory bodies like PPRA can smoothen the process if full empowered
- There is no strong stand alone policy which guiding motor vehicle disposal in Tanzania
- Lack of proper training on disposal procedures
- Lack of consistency in the value of disposal asset
- Delay in the salvage process

- Lack of legal framework to cater for proper disposal process

#### 4. Data analysis and presentation

The 60 respondents expected to be visited during data collection stage but only 44.89 respondents could be reached due to a lot of bureaucracy and busy working environment of the respondents. The study expected to collect data from 60 respondents. However, the data has been collected from 44.89 respondents out of 60, which is the same as 44.89% of the expected number of respondents. The researcher collected data from seven different organizations.

##### 4.1 Rules and Regulations Governing Motor Vehicles Disposal

In this research objective, the researcher wanted to understand if there are rules and regulations stipulated either in the Act or in policy guiding the disposal of motor vehicles in public organizations. Understanding steps that need to be followed during disposal, by doing so it brings an amount of challenges encountered during the practice making the workflow smooth. In order to understand amount if the researcher focused on checking employee's involvement during the process, whether employees are told about methods and date of vehicle disposal, presence of rules and regulations guiding the process. Problems or Challenges encountered during the disposal of motor vehicles are as follows:

##### 4.2 Lack of knowledge among staff about rules and regulations

The study discovered that some members of staff in the NAO lack the knowledge about the process of disposing motor vehicles, especially in the area of rules and regulations, stipulated in the PFA No 6 of 2001 (Principal Legislation Revised Edition 2004) and its regulation 257 (1) of the Public Regulations, this was more observed to user department staff, as they stressed that top management, heads of divisions and PMU do not have a programmer to empower and educate final users about the rules and regulations of disposing the public assets, it was stressed that Top Management, Administration and PMU do not have any strategy aiming at empowering and users can issue that results into lots of complaints.

##### 4.3 Computation of the depreciated motor vehicles

Computation of the depreciated vehicles is not accurate, this was mentioned during the study that when it comes to the time of calculating the real value of assets, the value of motor vehicles, to be disposed out is not correct and in most cases it has been devaluated; Officials/employees in charge of disposing capital assets deliberately undervalue organization assets that are to be disposed in order to purchase the item for him/her, this results into loss of public money; Informants said that goods to be disposed off are public resources and even if redundant or depreciated they still have financial value for the public, therefore, disposing them should be carefully planned and conducted in a way that obtains value for money and reduces opportunity for corruption or exploitation by individual employees, private person or organization at all, there is a need of establishing strong code of conduct and an enforcement organ to make sure that corruption is tacked out.

##### 4.4 Procedure for disposing motor vehicles is long and complicated

Procedure for disposing public assets including motor vehicles are outlined in the PFA No. 6 of 2001 (Principal Legislation Revised Edition 2004) and its regulation 257 (1) of the public regulations, informants mentioned that the process of disposing public assets is long, difficult and complicated as it needs external organ board of survey to make decision on which item needs to be disposed.

##### 4.5 Participation of staff in the process

Involvement of user department staffs in the identification of assets to be disposed is another challenge mentioned during the study, informants said that in NAO motor vehicle might be put in the list of being disposed after three years have elapsed, but the difficult thing here is that users are not much involved in the process of identifying assets that are not working properly, or have deteriorated rather than accepting decision made by top management, some tend to reject decision from the top management, saying that the motor vehicles should not be disposed because they are still in good condition.

#### 5. Conclusion

The study found, disposal of motor vehicles at NAO are carried out under the rules and regulations stipulated in the PPA No. 21 of 2004 and its regulations of 2005, whereby, procedures for disposing motor vehicles are outlined in the public Finance Act No.6 of 2001 (Principal Legislation Revised Edition, 2004). For example, Regulation 257 (1) of the public Regulation states that "stores, vehicles, plant, equipment. Or such items which although serviceable are no longer required by the Government, if they are sold, must be disposed of by the public or by tender public advertisement, unless the specific

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approval of permanent secretary has been obtained for them to be sold by other means". This means that, the PPA, Cap 410 is applicable only when it comes to dispose of public assets by tender and that's why Regulation 40 (2)/97/2005 it takes you back to the Finance Act for PE to get approval of the Permanent Secretary to the Treasury. Regulation referred states that "Any disposal by tender by a PE must be authorized by the Permanent Secretary to the Treasury. A researcher is endless process; therefore, the researcher should be received by other researchers for further studies so as to increase knowledge on effective motor vehicles disposal in public organization like; identify and assessing scraps materials, surplus materials and value assets, to determining appropriate methods of disposal managing items earmarked for disposal and recording disposal.

### 6. Recommendations

- It is recommended that NAO should develop a policy within the organization that will stipulate clearly the procedures and guidelines to be followed during the disposal for motor vehicles that belongs to the organization instead of relying on the Act and the so-called National level policy.
- Top managements and heads of units should be given education on the established policy because these are the decision makers when it comes to the issue of disposing capital assets within the organizations, they need to understand very well the procedures and guidelines.
- Rules and guidelines to be stipulated in the policy should not be complicated like those stipulated in the PPA Act and the Public Finance Act. This will ensure the smooth process while disposing capital assets, Users should not be left behind, they should also be educated on rules and regulations of the assets disposal, on top of that when it comes to the step of identifying assets to be disposed they should be involved fully.
- Staffs that are more knowledgeable on how to calculate it instead of guess in, Government should review the policy that guide motor vehicle disposal and other assets should calculate computation of salvage value of assets properly.

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