

Practices of internal control mechanisms in managing force account-related funds in Public secondary Schools: Experience from Meatu District Council, Tanzania

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Abstract

This study examined the internal control mechanisms for managing force account-related funds in public secondary schools in Meatu District Council, Simiyu region. Employing a qualitative approach and case study design, data were collected from 17 key stakeholders, including district officials and school heads, through semi-structured interviews and document reviews. Thematic analysis highlighted the importance of financial accountability and transparency in managing these funds. Key findings indicate that meticulous documentation, adherence to guidelines, and regular reporting are essential for fostering a transparent financial management system. The establishment of specialized committees, based on experience and qualifications, enhances oversight and management of projects. Additionally, active stakeholder involvement and detailed record-keeping promote community engagement and transparency, while regular internal audits reinforce accountability and regulatory compliance. The study concludes that effective management of force account-related funds in educational construction relies on strong financial accountability, transparent procedures, specialized oversight, and meticulous resource management, which together ensure efficient fund usage, improved project outcomes, and enhanced stakeholder trust.

INTRODUCTION

Globally, numerous governments are prioritizing improved quality in the construction and rehabilitation of various projects. This because various sectors get challenges during improving quality of construction such as a lack of training and transparency, insufficient financial resources, and poor collaboration with other education stakeholders (Nelius & Onyango, 2022). A study by Masanja (2018) identified challenges such as unethical employee behaviours, inadequate remuneration, and impunity

for fraudulent activities. This indicates that there is a need to examine practices of internal control mechanisms in managing force account related funds in public secondary schools.

Various studies acknowledge management of internal control in a force account project to utilize government resources such as labour, equipment, and materials for the execution of public sector construction and maintenance of works (Matto, 2023; Imoyera, 2019). Study conducted by Runji (2023) in Tanzania also, found that procurement in force account used as method of financial management and leads quality output in the project. This indicates that internal assessment of internal control practices is one among the aspect that facilitates succession of government of construction project. This motivated the study to examine internal practices that used for the internal editors on how to manage force account related funds in Tanzania secondary schools.

Furthermore, internal control mechanisms noted as essential processes and procedures designed to safeguard an organization's assets, ensure the accuracy and reliability of its financial reporting, promote operational efficiency, and ensure compliance with laws and regulations (COSO, 2013; Masanja, 2018). Therefore, for management of force account related funds, strong internal control mechanisms are crucial. They ensure financial accountability by making certain that funds are used for their intended purposes and are properly accounted for. Transparency is another critical aspect, as clear and transparent processes help prevent fraud and corruption. Internal control mechanisms also enhance operational efficiency by improving project management practices, which ensures timely and cost-effective project completion (OECD, 2017). Additionally, these mechanisms ensure compliance with regulatory requirements and standards, which is vital for maintaining the integrity and credibility of the projects (Mrope, 2018). This draw the picture that internal control is one among the important aspect for manage funds and help to prevent fraud and corruption. Therefore, this study contributes to examine effective practices may support internal control on how to manage public funds in secondary schools.

In addition to that, the study conducted by Ngwegwa (2023) found that force account projects are directly implemented by government entities, by passing the need for external contractors. Study by Yao *et al.* (2017) observed that method of cost reduction provides flexibility, enabling government entities to make necessary adjustments to project scopes and timelines without the constraints of contractual agreements. According to the report of auditor general for fiscal year 2021/2022 for the local governments it revealed the misappropriation of funds and corrupt practices in schools' projects constructions (URT, 2023). Furthermore, government entities may lack the technical skills and experience required to manage complex projects efficiently (Rachid & Lahmouchi, 2018). Limited availability of equipment and materials can also delay project execution and increase costs. This indicates that engaging government personnel in project execution also helps build local capacity and expertise, fostering long-term development benefits.

To delve into the concept of internal control mechanisms in public schools, the (Organization for Economic Co-operation and Development [OECD], 2017) identified five components: the control environment, risk assessment, control activities, information and communication, and monitoring. Specifically, the control environment establishes an atmosphere that influences the awareness and adherence of project implementers to controls. Risk assessment entails identifying and evaluating all inherent risks that could impede the achievement of objectives in implementing the force account method. Control activities encompass policies, rules, regulations, and guidelines ensuring the implementation of top-level directives and the required standards of projects. Information and communication involve identifying, capturing, and exchanging information to enable project implementers to fulfil their responsibilities. Monitoring is a process that evaluates the effectiveness of

internal control performance over a specified period. These components are essential for the successful implementation of the internal control mechanism (Al-Rawashdeh, 2017; Bubilek, 2017). This means that guidelines about monitoring is essential for managing public funds in secondary schools.

Initiatives have been done in various countries on how to manage internal control in force account. For example, the U.S. government has enacted key legislative initiatives, such as the Foreign Corrupt Practices Act (FCPA) of 1977 and the Sarbanes-Oxley Act of 2002, which require public companies to strengthen their internal control systems. These policies aim to improve the financial management practices of publicly traded enterprises and protect the interests of their stakeholders (Luthan & Doh, 2014). Tanzania has faced significant internal control issues with force account projects, leading to the misappropriation of public funds over time. Despite government efforts to implement strict internal controls, financial mismanagement persists, particularly in public secondary schools (Mwalukasa & Sallwa, 2023). Reports have highlighted instances of funds misuse due to these internal control problems in public schools across the country (Masanja, 2018). For example, a report by the Controller and Auditor General (CAG) revealed that procurements worth TZS 7.45 billion in 45 Local Government Authorities (LGAs) were made without competitive quotations, violating the Public Procurement Regulation of 2013 (United Republic of Tanzania, 2023). This indicates that there is a need to emphasize the need for enhancing internal control frameworks to oversee and govern publicly listed corporations, recognizing their crucial role in the nation's economic growth.

Despite the regulations in PPA No. 7 of 2011 and its 2016 amendment to ensure effective fund management and compliance in force account projects in public schools, studies and reports from the Controller Auditor General show increased fund mismanagement and procurement non-compliance in public secondary schools. This issue has led to uncertainties and incomplete projects in school construction (URT, 2023; Matto, 2023). The study conducted by Kobell (2022); Yasin and Mokhtar (2022) reported that financial procedures and guidelines is fundamental aspects of accountability and ensuring funds. While study conducted by Badoo *et al.* (2020) said that there is a need to improve staff awareness of policies about internal control and undertake continuous monitoring, identification and assessment of internal control system. This indicates that practices and monitoring and assessment for force account through internal control needed for responsible administrators plus teachers related to funds at secondary schools. Therefore, this study contributes for identifying effective practices that may support all responsible members related to public funds in public secondary schools in Tanzania.

METHODS

The research adopted a qualitative research approach to provide comprehensive understanding of the issue. The qualitative research approach, ensured a broader and more accurate understanding of the internal control mechanisms in managing force account-related funds.

The study utilized a case study design. The case study design was well-suited for this research as it allowed for an in-depth investigation of the specific phenomenon of force account fund management within the real-world context of school finance operations. By focusing on the experiences and practices of schools, the case study design enabled the researcher to capture the nuances and complexities involved in implementing internal controls for these specialized funds, which may not have been possible through other research designs.

The research was conducted in Meatu District Council in the Simiyu region, one of the regions with lower performance in public construction projects using the force account. This region was chosen due to its notable challenges in implementing and completing these projects, as highlighted in reports by the Controller and Auditor General (CAG) (URT, 2023).

The target population included key stakeholders involved in managing force account projects: the District Executive Director (DED), District Secondary Education Officer (DSEO), District Civil Engineer, Procurement Management Unit (PMU), Internal Auditor, heads of schools, and teachers. These individuals were selected for their managerial roles and expertise in financial and project management as stipulated by the guideline of FAM, ensuring relevant and insightful data for the study.

The sample size was 17 through purposive sampling. The use of purposive sampling techniques was well-suited for this research study, as it enabled the capture of perspectives from those most knowledgeable and accountable for the force account fund management processes.

Data collection methods included face-to-face semi-structured interviews with key informants and document reviews of relevant materials. These methods provided a comprehensive dataset, facilitating triangulation and a deeper understanding of the research problem.

Qualitative data were analysed using thematic analysis, following Braun and Clarke (2006) six steps. The study utilized a thematic analysis approach to examine the qualitative data collected. The researchers manually coded the data and then combined the related codes to form the main themes that aligned with the specific research objectives. This analytical process allowed the researchers to systematically organize and interpret what was observed and discovered through the fieldwork, providing a structured way to present the key findings.

The study ensured the trustworthiness of the qualitative data was established using credibility, dependability, transferability, and confirmability criteria. Strategies such as peer review, member checking, triangulation, and audit trails were employed to enhance the study's trustworthiness.

Ethical considerations were rigorously adhered to, including obtaining research clearance, ensuring voluntary participation, informed consent, the right to withdraw, and maintaining the confidentiality of participants' responses. These measures ensured the ethical integrity of the research process and the protection of participants' rights.

RESULTS AND DISCUSSION

Description of themes on Practices of internal control mechanisms in managing force account related funds:

Theme			Codes	
Financial transparency	Accountability	and	✓	Funds Receipt
			✓	Committee Formation
			✓	Payment Recording
			✓	Procedural Compliance
Compliance Guidance	and	Procedural	✓	Departmental Adherence
			✓	Procedural Compliance
			✓	Internal Control Significance
			✓	Established Procedures
			✓	Departmental Guidance
Stakeholder Involvement			✓	Community Engagement
			✓	Authority Reporting
			✓	Committee Collaboration
			✓	Stakeholder Collaboration
Physical Resource Management and Verifications			✓	Material Tracking
			✓	Material Standards
			✓	Document Auditing

Source: Feld data (2024)

1. Financial Accountability and Transparency

It was revealed from the participant's view that one of the practices undertaken in ensuring that the force account-related funds are properly managed is financial accountability and transparency. It was made clear that force account-related funds are acknowledged before being used; Another head of the school said that:

Before everything, we... uh... acknowledge the receipt of the project funds in the FFARS system and write a letter to the District Executive Director confirming the amount received. After that, we... well, we go to collect the necessary guidelines and documents from the council, such as maps/drawings and the Bill of Quantities (BOQ) for implementation. During the council visit, the head of the school may be accompanied by the finance teacher to... er... receive instructions on how to execute the project. **(Interview, HoS 8 school H, March, 2024)**

The above statement highlights that financial accountability and transparency are central to the effective management of force account-related funds. Findings of this study concur with study conducted in Tanzania by Saire (2023) found that the formation of committees with well-defined responsibilities and strict guidelines is essential for ensuring accountability. Maulid (2017) who show that accountability and transparency are foundational principles that underpin effective financial management, especially in the context of force account-related fund utilization in public secondary schools and in other educational sector. Abdulkadir (2014) found that financial control is among the major factors that influence practicability and accountability. Study conducted in Ghana by Yao (2017) contended that Ghana provides a comprehensive legal framework for the management of public funds, with a strong emphasis on enhancing accountability and transparency in the country's public financial management (PFM) system. This indicates that financial accountability and transparency is vital important for managing public funds. The study concludes that government and other stakeholders should give school management awareness on how to manage and report budget transparent to their community in order to enhancing accountability and commitment.

2. Compliance with financial procedures and guidelines

Specific practices that illustrate this compliance include; Procurement procedures of materials and works and procedures on rational use of force account-related funds. The procurement officer explained this by saying:

The approval and use of public funds especially force account-related funds is guided by the Public Law of 2011, the guideline for carrying out works under the force account method, the Local Government Act and procurement procedures and directives from the office of DED. **(Interview, District Procurement Officer, March 2024)**

The remarks above revealed that the force account-related funds were approved and authorized at the school by signatories and then at the Ward level by the Ward Education Officer then at the district level it was approved by the procurement officer, Engineer, District Treasurer, DPLO, DSEO and DED and later to the Bank Manager for the transaction. This findings in line with study conducted by Yasin and Mokhtar (2022) who observed that strict compliance with instructions and directives from relevant

departments and authorities is paramount, as it establishes a clear framework for the utilization and reporting of funds. Tesfaezgi (2017) which emphasises the significance of internal control mechanisms, such as segregation of duties, approval hierarchies, and documentation requirements, further reinforcing the principles of accountability. This indicates that force account compliance with strict instructions and directed from relevant department.

3. Stakeholder Involvement

It was revealed from the participant's view that heads of schools collaborate with technical experts and stakeholders, such as engineers and procurement officers, to ensure the proper planning, implementation, and monitoring of projects undertaken through the force account method. This helps to ensure the efficient and effective use of the funds. With regards to this, head of school from school I narrated:

....We are trying to report to the parents through meetings on what happened during the board meetings, budgeting, procurement and auditing to fulfil parents' expectations on the way funds have been allocated, budgeted, used and audited. The parents' expectation and the government are to see the improvement of their school in terms of infrastructure development **(Interview, HoS 9 school I March 2024)**.

The above quote show stakeholders range from top levels down to the school board, school management team, school meetings, and ultimately to the citizens. The study's findings support study conducted by Lusupi (2020) found that engaging and involving relevant stakeholders is a fundamental aspect of ensuring accountability and transparency in financial management, particularly in the context of the force account method. Also, Mayani (2019) study elaborated that actively engaging community members through periodic meetings and information-sharing sessions can foster transparency and build trust among the local community, while also providing a platform for stakeholders to raise concerns participate in decision-making and contribute manpower or resources. This indicates that the implementation of the Force Account Method (FAM) has increased community involvement in the construction. This thorough record-keeping not only promotes transparency but also enables the school administration to account for the materials used and identify any potential discrepancies or misappropriation of funds. and implementation of school projects.

4. Physical Resource Management and Verifications

For instance, the head of school from school F had these to say:

Sometimes we use a checklist, delivery note, and quotation to inspect and receive items, then record and sign minutes. After receiving the items, they are stored and recorded in the ledger book. When the items are taken to the site, they are recorded on an issue voucher and in the ledger book to track their usage. Additionally, each building has a book where the issuance and receipt of items are recorded, with both the issuer and receiver signing the book. **(Interview HoS 6, School F March 2024)**

The above comment shows that effective management and verification of physical resources are crucial for accountability and transparency in the force account method. This findings concur study by Mwalukasa and Sallwa (2023) found that effective management and verification of physical resources

are crucial for accountability and transparency in utilization of funds. Renatus (2017) found that force account method that regular auditing of project documents, such as procurement records and invoices, serves as a vital control mechanism to identify any inconsistencies or irregularities, allowing for corrective actions. The study found that Maintaining detailed records of materials from procurement to site usage establishes a comprehensive audit trail and facilitates transparent reporting on the utilization of funds.

CONCLUSION AND RECOMMENDATIONS

The research concludes that the effective management of force account-related funds in educational construction projects is contingent upon several interrelated practices and criteria that collectively ensure accountability, transparency, and stakeholder engagement. Central to these practices is the robust financial accountability and transparency maintained by school heads. The meticulous documentation of transactions, rigorous acknowledgment of fund receipts, and strict adherence to guidelines and instructions before utilizing the funds create a transparent and traceable financial management system. This system not only ensures proper utilization of funds but also aligns with legal and regulatory frameworks, fostering trust and credibility among stakeholders.

The formation and operation of specialized committees play a pivotal role in managing these funds. The study reveals that the establishment of committees such as the Inspection and Acceptance Committee, the Construction Committee, and the Procurement Committee is crucial. Each committee is tasked with specific responsibilities, including overseeing construction activities, receiving and distributing materials, and selecting suppliers. The selection criteria for committee members, which emphasize work experience, educational qualifications, and prior involvement in construction projects, underscore the importance of expertise and experience. This structured approach to committee formation enhances the efficiency and effectiveness of project management, ensuring that funds are utilized optimally and projects are completed successfully.

Stakeholder involvement emerges as another critical component in the management of force account-related funds. The research highlights that school heads actively collaborate with technical experts and engage the local community in various stages of the project. This engagement fosters a sense of ownership and ensures that the community's needs are addressed. The inclusion of community members in construction activities not only leverages local resources but also strengthens the community's commitment to the project's success. This collaborative approach enhances transparency and accountability, as stakeholders are directly involved in the planning, implementation, and monitoring processes.

Physical resource management and verification are also essential for ensuring the proper use of funds. The study indicates that detailed record-keeping of materials from procurement to site usage is a standard practice among school heads. This meticulous documentation promotes transparency and allows for the identification of any discrepancies or misappropriation of resources. The implementation of quality assurance processes further ensures that materials meet required standards, maintaining the integrity of construction work. These practices collectively safeguard the efficient use of funds and contribute to the overall success of the projects.

Regular auditing of project documents, such as procurement records and progress reports, is another critical aspect highlighted by the research. Internal auditors conduct thorough audits and prepare regular reports, ensuring compliance with established guidelines and regulations. These audits help identify irregularities and areas for improvement, enhancing the overall accountability and transparency of fund management. The involvement of internal auditors also ensures that financial

practices align with legal and regulatory expectations, reinforcing the credibility of the financial management system.

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