

Evaluation Summary

I. Outline of the Project	
Country: The United Republic of Tanzania	Project Title: Capacity Development Programme for Internal Audit
Issue/Sector: Public Financial Management/Internal Audit	Cooperation Scheme: Technical Cooperation
Department in Charge: Industrial Development and Public Policy Department	Total Cost (as of the time of evaluation): approx. 2.2 hundred million Japanese yen
Period of Cooperation: (R/D) September 1, 2009 – October 31, 2012	Partner Country's Implementing Organization: Internal Audit General's Division (IAGD)
Related Cooperation: Development Study "Support to the Capacity Development of Public Finance Management" (August 2005 – May 2007)	
<p>1. Background of the Project</p> <p>IAGD and JICA have been implementing the "Capacity Development Programme for Internal Audit in Tanzania" since October 2009 in line with the Public Financial Management Reform Programme (PFMRP). Under the agreed framework, the Project aims to establish the foundation of the technical guidance of internal audit to Tanzania's Ministries, Departments and Agencies (MDAs), thereby developing the capacity of their internal auditors to conduct internal audit (including the follow-up) appropriately at MDAs through the strengthened mechanism. The year 2012 is the final year for the Project. Ministry of Finance (MoF) and JICA decided to conduct the Terminal Evaluation jointly in accordance with the Record of Discussions (R/D) signed on 11 March 2009.</p> <p>2. Project Overview</p> <p>(1) Overall Goal The capacities of MDAs' internal auditors are developed and internal audits, inclusive of their follow ups, are conducted appropriately at MDAs through the strengthened mechanism.</p> <p>(2) Project Purpose The foundations for the technical guidance for internal audit for MDAs are established.</p> <p>(3) Outputs</p> <ol style="list-style-type: none"> 1. Training courses for internal audit are developed in accordance with skill levels. 2. A user-friendly internal audit handbook is prepared. 3. Selected internal auditors are trained as Champions. 4. Training of MDAs' internal auditors by Champions is introduced. 5. Monitoring of other MDA internal audits and the handbook revision process are introduced. <p>(4) Inputs (as of the time of evaluation)</p> <p><Japanese side></p> <p>Short-term experts: 8</p>	

Equipment:	125,970 yen
Trainees received:	26
Local cost:	36,306 thousand Japanese yen
<Tanzanian side>	
Counterpart:	20
Land and facilities:	Working space for experts
Local cost:	148,039,200 Tanzania shillings (approx. 7,543 thousand Japanese yen)
II. Evaluation Team	
Members of Evaluation Team:	
(1) Team Leader: Mr. Kuniaki AMATSU, Advisor, Public Governance and Financial Management Division, Governance Group, Industrial Development and Public Policy Department, JICA	
(2) Cooperation Planning: Ms. Akiko WAKUI, Public Governance and Financial Management Division, Governance Group, Industrial Development and Public Policy Department, JICA	
(3) Evaluation Analysis: Ms. Sawa HASEGAWA, Consultant, Japan Development Service Co., Ltd.	
Period of Evaluation: July 7 – 22, 2012	Type of Evaluation: Terminal Evaluation
III. Results of Evaluation	
1. Progress of the Project	
Most of the Project activities specified in PDM have been implemented as planned. The progress and achievement level of each Output, Project Purpose and Overall Goal is as follows.	
(1) Achievement of Outputs	
Output 1 has been achieved.	
- Four training courses, i.e. 1) Planning Course, 2) Preliminary Course, 3) Fieldwork Course, 4) Reporting & Follow-up Course, have been set up in line with the process of internal audit work.	
Output 2 has been achieved.	
- The Internal Audit Handbook was developed and published in November, 2011. After the workshop for the introduction of this Handbook, the Handbook has been distributed to some 500 internal auditors for MDAs and LGAs.	
Output 3 has been achieved.	
- In February, 2012, 12 internal auditors were certified as “Champions of Audit Process and Documentation.”	
- The Internal Audit Handbook Aid has been developed and used as a training material. Moreover, the actual audit working papers prepared by the Champions are used as model audit working papers for OJT and as practical teaching materials.	
- OJT has been conducted for 51 internal auditors (total of 85 persons, inclusive of repeat trainees) of the Internal Audit Units of 8 MDAs.	
Output 4 is expected to be achieved once the on-going OJT by the Champions has been completed.	
- As of July, 2012, there are five on-going OJT sessions by the Champions at various MDAs.	

- The OJT manual was developed in June, 2012.

Output 5 is expected to be achieved once the on-going monitoring work by the Champions has been completed.

- As of July, 2012, there are six on-going audit assignments for the Champions for monitoring purposes.
- The monitoring manual was developed in June, 2012.
- A revised version of the handbook set was published in December, 2011 and has been distributed to some other 300 internal auditors for MDAs and LGAs.

(2) Achievement of Project Purpose

The Project has been making steady progress towards the achievement of its purpose and is expected to achieve its purpose by the end of the Project in October, 2012.

(3) Prospect for achieving Overall Goal

The Project is achieving part of indicators of the Overall Goal and is deemed to be on the right track to achieve the said goal in the aftermath of the Project. It is desirable for suitable arrangements to be made for the establishment of the strengthened mechanism during the remaining project period so that the Overall Goal is achieved through the said strengthened mechanism.

2. Summary of Evaluation Results

(1) Relevance (relatively high)

- The Project is consistent with the national development plan as well as internal audit policies of the Government of Tanzania such as MKUKUTA II and PFMRP.
- The Project meets the needs of its target group such as trainers and internal auditors.
- The Project is consistent with Japan's ODA policy for Tanzania such as "Country Assistance Policies for Tanzania" and "Rolling Plan for Tanzania."
- In regard to the timing of the implementation of the Project, the relevance of the implementation timing would have been much higher if it had been delayed until the formal decision on the reorganization of CIAU being made.

(2) Effectiveness (high)

- The Project Purpose is expected to be achieved by the end of the Project.
- The Project has been establishing the basic foundation of Tanzania's introducing and scaling up the standardized internal audit practices towards the end of the Project.

(3) Efficiency (medium)

- The quantity, quality and timing of the inputs were generally appropriate as all individual inputs were utilized in the intended activities which themselves were implemented as planned in most cases. The intended outputs are being steadily produced and there are no problems as regard the ratio of outputs to inputs.
- The change of the C/P organization from CIAU to IAGD midway through the Project caused the temporary suspension of the project-related activities and the process of developing an implementation system for the Project had to be repeated after the assignment of new personnel

to the Project.

(4) Impact (medium)

- The Project is achieving part of indicators of the Overall Goal and is deemed to be on the right track to achieve the said goal in the aftermath of the Project.
- Even though other impacts on the policy formulation and institutional aspects are as yet to emerge, the following impacts such as impact on the Internal Audit Manual, Champions working as visiting lecturers at Mzumbe University and interests from other government and parastatal organizations have been reported.

(5) Sustainability (relatively high)

- Policy and Institutional aspect: strengthening of the internal audit function and the capacity building of staff members involved in internal auditing in the public sector are likely to be continually supported by the Government of Tanzania. MoF is encouraged to timely complete approval procedure of the “Internal Audit Operational Plan.”
- Organizational aspect: IAGD plans to increase the number of Champions and to continue the training courses and Champion Certification Programme. Meanwhile, the shortage and allocation imbalance of internal auditors at MDAs suggests the necessity for future efforts on the part of the Government of Tanzania.
- Financial aspect: The overall budget of IAGD for internal audit-related activities is larger than the previous budget size for CIAU and good financial signs have been observed since the upgrading of CIAU to IAGD. The financial status of the internal audit work at each MDA varies from one MDA to another and it is expected the budget for internal audit will be allocated sufficiently in future.
- Technical aspect: The Champions have basic know-how and skills for the planning, execution and management of training on audit process and documentation. It is still necessary and important for them to build up their practical experience to further polish their skills.

3. Factors that promoted the realization of effects

(1) Factors concerning Planning

- Introduction of OJT practices

(2) Factors concerning Implementation Process

- Smooth decision-making after upgrading of the counterpart organization
- High level of commitment by some CIAs of MDAs

4. Factors that impeded the realization of effects

(1) Factors concerning Planning

- Absence of a “Project Coordinator” at the Japanese Side

(2) Factors concerning Implementation Process

- Delay of the upgrading of CIAU to IAGD
- Different understanding of the duties of the Champions under the Project
- Absence of cooperation by audit clients

- Absence of an annual training plan under the Project

5. Conclusions

The Project has achieved its outputs and will achieve its purpose as expected. Especially, its contribution to establishing the foundations for the technical guidance for internal audit for MDAs is highly commended. The Project is on the right track to achieve one of the PFMRP's key results, strengthening of the internal audit function and the capacity building of internal auditors. As the outputs produced by the Project have been recognized as useful tools by many stakeholders, it is expected for the Government of Tanzania to make best use of the Project achievement for the future development of internal audit in Tanzania.

6. Recommendations

The Team recommends that for further ensuring sustainability after the Project, IAGD will take the following actions and share those efforts with JICA timely:

(1) Proposed Actions to be Taken by the End of the Project

a. IAGD shall develop an annual OJT and Monitoring implementation plan for securing continuous OJT and Monitoring introduced by the Project, and share its plan with MDAs in advance so that MDAs can consider the scheduling of internal auditors' participation in the training;

b. IAGD shall continue the Champion Certification Programme in order to increase the number of internal auditors who can provide OJT and monitoring and to expand the pool of human resources.

(2) Proposed Actions to be Taken Timely

a. IAGD shall include OJT and Monitoring activities through the Champions into the ordinary operation of IAGD as well as each Internal Audit Unit, and expand duties of Champions to include OJT and Monitoring to further strengthen internal audit;

b. IAGD shall strengthen incentive for the Champions for undertaking duties over and above, including for recruitment, appraisal and training, for management and staff;

c. IAGD shall enhance follow-up activities by Internal Audit Unit and improve awareness among members of audit committees in order to facilitate implementation of recommendations;

d. MoF shall finish approval process of the Internal Audit Operational Plan for 2012/13 – 2016/17.

7. Lessons Learned

Followings are common lessons learned from Project's experiences for similar types of cooperation in the future:

(1) Capacity assessment at the policy, institutional and individual levels are needed in at the initial stage of the project designing. In this Project, the delay of establishing IAGD affected the Project activities and performances to some extent.

(2) Not only establishment of department in charge but also its staffing and budgeting is an essential element. Basically the project scope and the sequence of activities should be designed based on the situation of the recipient's capacity. If some of elements necessary to start and implement the project smoothly do not exist initially, the project scope and the sequence of

activities should be adjusted.