



THE UNITED REPUBLIC OF TANZANIA

PRESIDENT'S OFFICE-REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT GEITA REGION

MBOGWE DISTRICT COUNCIL



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 TZS	2022 TZS Restated
ASSETS			
Current Asset			
Cash and Cash Equivalents	62	3,788,064,093	2,568,931,240
Receivables	67	147,737,729	226,027,204
Prepayments	69	385,420,337	477,767,250
Inventories	70	251,175,824	625,085,020
Total Current Asset		4,572,397,983	3,897,810,714
Non-Current Asset			
Other Financial Assets	71	41,143,000	41,143,000
Property, Plant and Equipment	77	29,735,248,302	26,232,696,370
Work In Progress	82	10,689,157,088	7,238,858,564
Total Non-Current Asset		40,465,548,390	33,512,697,934
TOTAL ASSETS		45,037,946,372	37,089,612,524
LIABILITIES			
Current Liabilities			
Payables and Accruals	89	2,307,865,596	2,630,235,184
Deferred Income (Revenue)	93	333,493,375	333,493,470
Deposits	94	256,456,691	518,633,245
Total Current Liabilities		2,599,759,663	3,542,909,691
Non-Current Liabilities			
Deferred Income (Capital)	93	2,125,202,618	1,259,169,030
Total Non-Current Liabilities		2,125,202,618	1,259,169,030
TOTAL LIABILITIES		4,724,962,281	4,802,078,720
Net Assets		40,312,984,091	32,608,429,928
NET ASSETS/EQUITY			
Other Reserves	104	41,143,189	41,143,189
Accumulated Surpluses / Deficits		40,271,840,902	32,567,286,739
TOTAL NET ASSETS/EQUITY		40,312,984,091	32,608,429,928

Saada Mwaruka
District Executive Director
Date: 22/03/2024

Hon. Vicent Busiga
Council Chairperson
Date: 22/03/2024

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30TH JUNE, 2023

	Note	2023 (TZS)	2022 (TZS) Restated
Classification of Expenses by Nature			
REVENUE			
Revenue from Exchange Transactions	17	357,012,391	419,971,205
Levies	18	758,753,259	661,397,489
Fees, fines, penalties and Forfeits	19	853,213,327	1,012,561,683
Social Contributions (Revenue)	20	373,850,466	201,144,340
External Assistance	25	3,596,247,135	-
Other Revenue	31	118,681,402	157,551,382
Revenue Grants	32	28,490,741,739	30,766,095,177
Total Revenue		34,548,499,719	33,218,721,276
EXPENSES AND TRANSFERS			
Wages, Salaries and Employee Benefits	34	19,386,418,688	19,514,460,528
Use of Goods and Service	35	4,254,593,425	4,195,173,580
Maintenance Expenses	36	865,293,564	419,255,329
Depreciation of Property, Plant and Equipment	37	913,065,797	820,610,969
Other Expenses	52	51,186,960	331,131,802
Social Benefits	56	1,231,722,952	1,671,504,838
Total Expenses		26,702,281,385	26,952,137,046
Transfer			
Grants, Subsidies and other Transfer Payments	60	141,664,456	236,989,730
Total Transfer		141,664,456	236,989,730
TOTAL EXPENSES AND TRANSFERS		26,843,945,841	27,189,126,776
Surplus / Deficit		7,704,553,878	6,029,594,500

The notes shown, form part of these financial statements.

The Financial Statements were authorized by the Full Council through meeting held on 28 August, 2023 for submission to the National Audit Office for Audit on 31 August 2023 and were signed by:

Saada Mwaruka
District Executive Director
Date: 22/03/2024

Hon. Vicent Busiga
Council Chairperson
Date: 22/03/2024

STATEMENT OF CHANGES IN NET ASSET/EQUITY FOR THE PERIOD ENDED 30TH JUNE, 2023

	Minimum Contribution Reserve	Accum. Surplus/(Deficit) TZS	Total (TZS)
Opening Balance as at 01 Jul 2022	41,143,189	32,567,287,739	32,608,429,928
Surplus/ Deficit for the Year	-	7,704,553,878	7,704,553,878
Closing Balance as at 30 Jun 2023	41,143,189	40,271,840,902	40,312,984,091
Opening Balance as at 01 Jul 2021	41,143,189	26,440,655,322	26,481,798,511
Adjustment of wrong computation in asset	-	163,311,416	163,311,416
Adjustment-Recognition of Advance Payment	-	320,896,124	320,896,124
Adjustment-Recognition of Payable PSSSF	-	60,547,791	60,547,791
Surplus/ Deficit for the Year	-	6,029,594,500	6,029,594,500
Closing balance as at 30 Jun, 2022	41,143,189	32,567,286,739	32,608,429,928

The notes shown, form part of these financial statements.

The Financial Statements were authorized by the Full Council through meeting held on 28 August 2023 for submission to the National Audit Office for Audit on 31 August 2023 and were signed by:

Saada Mwaruka
District Executive Director
Date: 22/03/2024

Hon. Vicent Busiga
Council Chairperson
Date: 22/03/2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2023

	Note	2023 (TZS)	2022 (TZS)
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Revenue from Exchange Transactions	17	447,012,391	318,219,723
Levies	18	771,280,836	716,630,007
Fees, fines, penalties and Forfeits	19	861,239,325	979,461,593
Social Contributions (Revenue)	20	328,558,621	201,144,340
External Assistance	25	3,596,247,135	-
Other Revenue	31	151,884,802	124,347,982
Revenue Grants	32	28,304,935,856	29,822,863,453
Increase /Decrease in deposit	75	262,176,554	325,723,502
Total Receipts		34,198,982,413	32,488,390,599
PAYMENTS			
Grants, Subsidies and other Transfer Payments	26	141,664,456	236,989,730
Wages, Salaries and Employee Benefits	34	19,679,335,128	19,530,840,344
Use of Goods and Service	35	3,662,107,879	3,561,074,898
Maintenance Expenses	36	865,293,564	545,921,049
Other Expenses	52	51,186,960	331,131,802
Social Benefits	56	1,231,722,952	1,671,504,838
Total Payments		25,631,310,939	25,877,462,662
NET CASH FLOW FROM OPERATING ACTIVITIES		8,567,671,474	6,610,927,938
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant and Equipment	51	7,348,538,621	5,887,850,698
Total Investing Activities		7,348,538,621	5,887,850,698
NET CASH FLOW FROM INVESTING ACTIVITIES		7,348,538,621	5,887,850,698
CASH FLOW FROM FINANCING ACTIVITIES			
NET CASH FLOW FROM FINANCING ACTIVITIES			
Net Increase		1,219,132,853	723,077,239
Cash and cash equivalent at beginning of period		2,568,931,240	1,845,854,001
Cash and cash equivalent at end of period		3,788,064,093	2,568,931,240

The notes shown, form part of these financial statements.

The Financial Statements were authorized by the Full Council through meeting held on 28th August, 2023 for submission to the National Audit Office for Audit on 31st August, 2023 and were signed by:

Saada Mwaruka
District Executive Director
Date: 22/03/2024

Hon. Vicent Busiga
Council Chairperson
Date: 22/03/2024

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Mbogwe District Council, which comprise the statement of financial position as at 30 June 2023, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Mbogwe District Council as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPAS) Accrual basis of accounting and the manner required by the Local Government Finances Act, Cap. 290.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Mbogwe District Council in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement Laws

Subject matter: Compliance audit on procurement of works, goods, and services
I performed a compliance audit on the procurement of works, goods, and services of Mbogwe District Council for the financial year 2022/23 as per the Public Procurement Laws.

Conclusion
Based on the audit work performed, I state that, except for the matter described below, procurement of goods, works and services of Mbogwe District Council is generally in compliance with the requirements of the Public Procurement Laws.

Procurement expenditures at lower levels not included in the Council's Quarterly Reports - TZS 1,203,358,454
According to Section 33 (2) of the Public Procurement Act No. 7 of 2011, Budget Approving Authority is supposed to review and approve Annual Procurement Plans (APP) based on its budget and action plan; and review the Quarterly Procurement Report submitted by the Accounting Officer. Also, section 36(1) of PPA 2011 and Regulation 86-87 of PPR, 2013 require Procuring Entity to submit to PPRA information relating to procurement plan, monthly and quarterly progress report, publication of general and specific procurement, procurement awards and quarterly internal audit report.
I examined the Council's quarterly procurement reports for alignment with the plan. The analysis (quarter's one through four) showed TZS 1,203,358,454 spent on various procurement. To the contrary, an audit test made on 25 projects worth TZS 3,213,283,115 at lower levels revealed these expenditures with procurement nature were not included in the Council's quarterly procurement reports.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution of Mbogwe District Council for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that, except for the matter described below, Budget formulation and execution of Mbogwe District Council is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

Unbudgeted Council's contribution obligation to Local Government Loans Board
Paragraph 1.7.2 (107A) (XV) of the Guidelines for the Preparation of Annual Plan and Budget for 2022/23 requires the Council to budget funds for contributions obligations to Local Government Loans Board (LGLB) as Minimum Compulsory Reserve in Medium Term Expenditure Framework (MTEF). To the contrary, I review the Council MTEF for the year under review noted that the same had not been included in MTEF.

Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2024