



**THE UNITED REPUBLIC OF TANZANIA**

**NATIONAL AUDIT OFFICE**



**ARDHI INSTITUTE MOROGORO**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR  
ENDED 30 JUNE, 2023**

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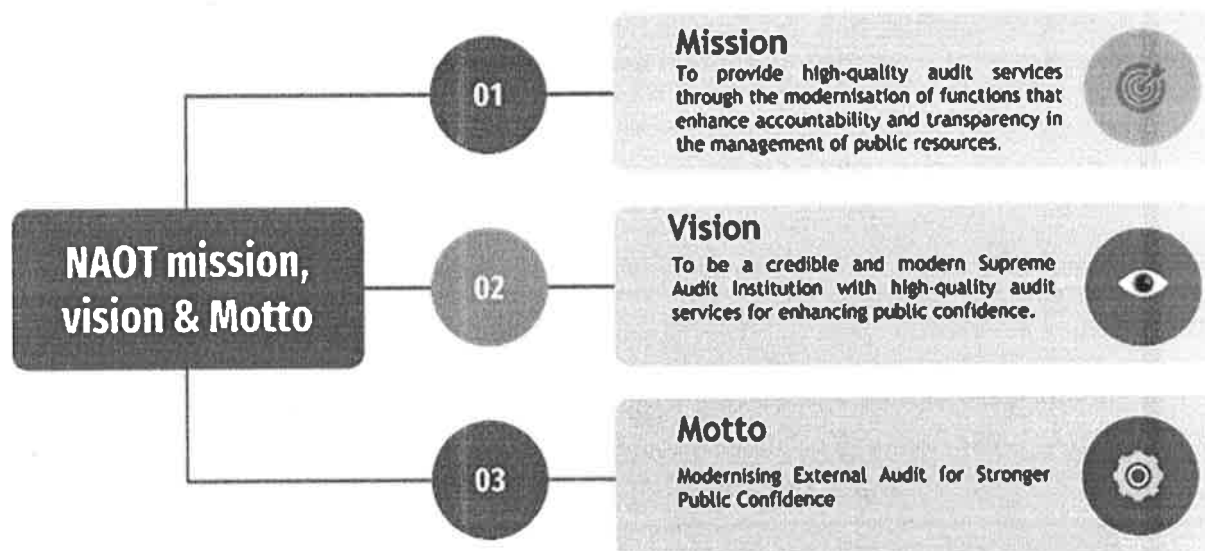
March 2024

AR/CG/TR.06/ARIMO/2022/23

## About the National Audit Office

### Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap 418[R.E 2021]



#### Independence and objectivity

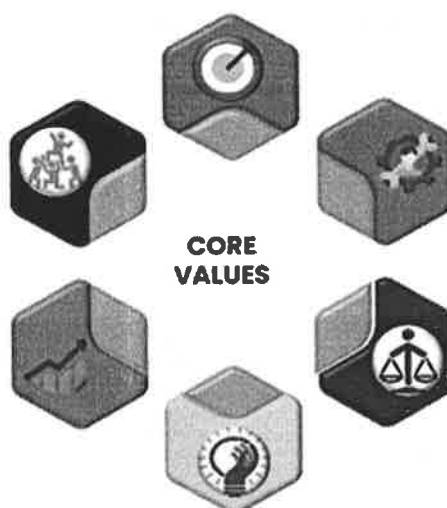
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

#### Teamwork Spirit

We value and work together with internal and external stakeholders.

#### Results-Oriented

We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



#### Professional competence

We deliver high-quality audit services based on appropriate professional knowledge, skills, and best practices

#### Integrity

We observe and maintain high ethical standards and rules of law in the delivery of audit services.

#### Creativity and Innovation

We encourage, create, and innovate value-adding ideas for the improvement of audit services.

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## Abbreviations

<b>CAG</b>	Controller and Auditor General
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ISSAIs</b>	International Standard of Supreme Audit Institutions
<b>PAA</b>	Public Audit Act
<b>PAC</b>	Public Accounts Committee
<b>PAR</b>	Public Audit Regulation
<b>PFA</b>	Public Finance Regulations
<b>PPA</b>	Public Procurement Act
<b>PPR</b>	Public Procurement Regulations

## **1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL**

Principal,  
Ardhi Institute Morogoro,  
P.O. Box 155,  
**MOROGORO, TANZANIA.**

### **1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

#### **Unqualified Opinion**

I have audited the financial statements of Ardhi Institute Morogoro, which comprise the statement of financial position as at 30 June 2023, and the statement of financial performance, the statement of changes in net assets and 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 Ardhi Institute Morogoro 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 (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

#### **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 Ardhi Institute Morogoro 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

#### **Other Information**

Management is responsible for the other information. The other information comprises the Statement by the Chairperson, Statement of the Principal, statement of management responsibility and Declaration by the Head of Finance but does not include

the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

#### **Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap 418 [R.E 2021] requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, Cap 410 [R.E 2022] requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

## 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 in the Ardhi Institute Morogoro 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 matters described below, the procurement of goods, works and services of Ardhi Institute Morogoro is generally in compliance with the requirements of the Public Procurement laws.

**Non-reporting of Micro-Procurement to Tender Board and PPRA TZS 11,409,188.93**  
Reg. 166 (7)(8) of the Public Procurement Regulations, 2013 requires micro-procurements to be reported to the tender board and PPRA on a quarterly basis. However, I noted that the institute effected payment amounting to TZ 11,409,188.93 for micro-procurements which were not communicated to the tender board and PPRA

### 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 in the Ardhi Institute Morogoro 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, Budget formulation and execution of Ardhi Institute Morogoro is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



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

March 2024



## 2.0 FINANCIAL STATEMENTS

### 1.0 INTRODUCTION

Ardhi Institute Morogoro was established under the Act of Parliament No. 35 of 1974 of the laws and mandated to carry on training, research and consultancy activities. The Institute is a Government organ functioning under the auspices of the Ministry of Lands, Housing and Human Settlements Development; it is an important tool for training, research and consultancy activities in the land sector.

### 2.0 VISION

To be a centre of excellence in providing technical and professional training research and consultancy services in Geomatics, Urban & Rural Planning, Land Management and Architecture

### 3.0 MISSION

To provide flexible and sustainable high-standard and quality training, research, and consultancy in Spatial Planning, Architectural Services, Surveys and Mapping to meet the needs of clients.

### 4.0 CORE VALUES

Whereas students and staff who constitute the core of the Institute join the Institute as individuals at different dates, the Institute as an organization needs to be banded as a single entity through establishing an institutional culture in order to effectively deliver what is expected from it. Hereunder, are the core values which shall be guiding the Institute's organizational culture.

**Honest:** We are truthful and sincere in all our work and dealings.

**Transparency:** We are clear and open in our operations and allows accessibility of information concerning our core business practices.

**Confidentiality:** We do not share confidential information to the public

**Hard Working:** We perform our work diligently in whatever we do.

**Self-Discipline and Control:** We are self-motivated and able to control our feelings and overcome our weaknesses and pursue what is right throughout our undertakings.

**Creativity and Innovative:** We are able to generate new ideas that improve the effectiveness of the Institute's core business throughout our undertakings.

**Commitment and Accountability:** We are dedicated to our duties and willing to accept responsibility to whatever we do.

**Team Working:** We are exemplary cooperative and use our individual skills to build synergy and provide constructive feedback despite any personal conflict between individuals

## **5.0 SOLVENCY**

The Institute's solvency so far is healthier as nothing has come to the attention that will hinder the performance of the Institute for the next twelve months.

## **6.0 OVERALL PERFORMANCE AND CHALLENGES**

### **6.1 ACHIEVEMENTS**

The performance of the Institute during the year was satisfactory despite the prevailing challenges. During the financial year 2022/23 the Institute recorded the under-mentioned notable achievements;

- (i) Two (2) Examination Board meetings have been conducted.
- (ii) Two (2) Institute Board meetings were facilitated.
- (iii) Reviewing of Institute Curricular for Geomatics
- (iv) Two (2) sessions of semester fieldwork for eighty-two (82) students of URP NTA 5 & 6 together with four (4) Tutors for ten (10) days was facilitated.
- (v) One industrial practical training for 321 students of URP&GM NTA 5 & 6 was facilitated.
- (vi) One (1) seminar on HIV/AIDS counselling and testing for 40 staff members and 516 students was facilitated.
- (vii) Staff statutory rights were fully implemented.
- (viii) Eleven (11) staffs were recruited
- (ix) Two (2) semester examination sessions were facilitated.
- (x) Eighteen (18) tutors were facilitated in setting, moderating and marking examinations
- (xi) Construction of two Classrooms funded by the Ministry of Lands and one constructed by using own source funds whereby completed by 45% and 95% respectively
- (xii) Participated in the Ministry of Lands programme named Planning, Surveying and Titling of which ARIMO completed planning and surveying of 30,160 plots at Mbalizi Mbeya District Council.
- (xiii) Participated in undertaking strategic projects of the Ministry of Lands, Housing and Human Settlement Developments- Surveying 346 urban farms at Bihawana, 667 plots at Mapinduzi and 1026 plots at Kitelelea Dodoma City Council.
- (xiv) As part of its mandated function ARIMO secured one consultancy service project having five activities namely, Topographical surveying, Town Plan Preparation, Cadastral Surveying, Control points establishment and Concrete pillars monumentation, it is an ongoing project covering 26 TRC railway stations situated

in Tanga, Coast, Morogoro, Singida, Dodoma and Tabora. The contract sum was TZS 509, 923,400.00

- (xv) Also during the year under review ARIMO managed to produce a Master plan for the Kola Hill Project ready for development.

## 6.2 CHALLENGES

During the implementation of the budget for the financial year 2022/23 the following were identified as the major challenges facing the effective performance of the Institute's budgeted activities;

- (i) Insufficient resources especially development funds and other charge funds from the Government together with funds from regularization projects undertaken by ARIMO.
- (ii) Inability to develop the ARIMO 34.3-acre plot located at Kola Hill in Morogoro Municipality.
- (iii) Incomplete library and studio building together with its infrastructure.
- (iv) Few modern surveying instruments (such as GNSS equipment, Total Station, levels, large format printers and scanners).
- (v) Insufficient number of teaching and supporting staff.
- (vi) Lack of software packages while dealing with normal institute functions like MUSE, e-office, student admission and result software.
- (vii) Bad condition of institute motor vehicles which cause frequent breakdowns.

## 7.0 STRATEGIES

In order to foster the implementation of the vision, mission and core values of the Institute the following strategies would be implemented;

- (i) To seek employment permit staff in critical areas.
- (ii) Develop strategic institutional management area.
- (iii) Enhance revenue collection from already known sources and innovate new ones
- (iv) Promotion of public awareness on the function and mandate of the institute.

## 8.0 WAY FORWARD

In this regard, the Board has the responsibility of regulating the conduct of Ardhi Institute Management. In order to deliver and meet the stakeholders' expectations, the following key issues will be addressed;

- (i) Enhancing Institute capacity in terms of staffing and revenue collection.
- (ii) Promote public awareness creation on the ARIMO mandates, roles and activities.

Signature: 

Name: Prof. Ernest P Kihanga  
Title: Institute Board Chairperson

Date: 20.03.2024

## STATEMENT BY THE PRINCIPAL

### 1.0 INTRODUCTION

The management has the pleasure to present and submit the Financial Statements which disclose the state of affairs of the Ardhi Institute Morogoro for the year ended 30th June 2023

### 2.0 IMPLEMENTATION OF PLANS AND BUDGET 2022/23

The approved budget for the financial year 2022/23 was TZS 8,131,075,600.00 which constitutes TZS 688,806,000.00 for personal emolument (PE), TZS 540,000,000.00 for other charges (OC), TZS 700,000,000 Local grants and TZS 6,202,269,600.00 from own source collection. Out of TZS 6,202,269,600.00 own source collection TZS 2,040,000,000.00 was for development projects and TZS 4,162,269,600.00 was for recurrent.

During the year under review, the Institute received a total of TZS 1,754,338,105 as Government subsidies. The Government subsidies constitute Other Charges (OC) amounting to TZS 311,500,000.00 Development Expenditures TZS 799,262,500.00 and Personnel Emoluments (PE) expenses amounting to TZS 643,575,605.

### 3.0 NON-TAX REVENUE

The Institute budgeted to collect a sum of TZS 6,202,269,600.00 from its own source which constitutes TZS 802,269,600.00 from tuition fees and TZS 5,400,000,000.00 from consultancies. During the year under review, the Institute collected non-tax revenue amounting to TZS 1,149,580,320.00. The sum comprises tuition fees amounted to TZS 642,254,600.00 and TZS 507,325,720.00 from consultancies.

### 4.0 ACHIEVEMENTS

During the year under review, the Institute managed to renew its accreditation status and curricula for Geomatics and Urban and Regional Planning Programs. The Institute facilitated four (4) staff to undergo long courses in order to develop their careers and make sure that the institute has qualified and competent staff who can impart quality and appropriate knowledge to students. Furthermore, the Institute recruited eleven staffs (11) of different cadres. These are Drivers (3), Tutors (4), Technician (1) Accountant (1), Assistant Accountant (1) and Legal Officer (1).

Also, the Institute participated in undertaking strategic projects of the Ministry of Lands, Housing and Human Settlement Developments for surveying 346 urban farms at Bihawana, 567 plots at Mapinduzi and 1026 plots at Kitelelea Dodoma City Council.

As part of its mandated function, ARIMO secured one consultancy service project having five activities namely, Topographical surveying, Town Plan Preparation, Cadastral

Surveying, Control points establishment and Concrete pillars monumentation, it is an ongoing project covering 26 railway stations situated in Tanga, Coast, Morogoro, Singida, Dodoma and Tabora.

A master plan for developing Kola hill plots was prepared

## **5.0 CONSTRAINTS AND CHALLENGES**

### **5.1 CHALLENGES**

During the implementation of the budget for the financial year 2022/23 the following were identified as the major challenges facing the effective performance of the Institute's budgeted activities;

- (i) Insufficient resources especially development funds and other charge funds from the Government together with funds from regularization projects undertaken by ARIMO.
- (ii) Inability to develop the ARIMO 34.3 acres plot located at Kola Hill in Morogoro Municipality
- (iii) Incomplete library building and its infrastructure
- (iv) Few modern surveying instruments (such as GNSS equipment, Total Station, levels, large format printers and scanners);
- (v) Insufficient number of teaching and supporting staff
- (vi) Lack of software packages while dealing with normal institute functions like MUSE, e-office, student admission and result software.
- (vii) Bad condition of institute motor vehicles which cause frequent breakdown

### **5.2. REMEDIAL MEASURES**

During the year under review the Institute has taken the following measures in order to overcome some of its critical issues;

- (i) Recruit staff in critical areas
- (ii) Develop strategic institutional management area
- (iii) Enhance revenue collection sources.
- (iv) Promote public awareness on the institute.

## **6.0 ADVISORY BOARD COMMITTEE**

The Act no 35 of 1974 of the Parliament gave the power to the Permanent Secretary Ministry of Lands Housing and Human Settlement to select the Advisory Board members. During the financial year 2022/23 the Advisory Board had the following Members;

N o	Name	Title	Date of Appointmen t	Place of work	Designation
1.	Prof. Ernest Kihanga	Chairman	20 Mar, 2023	Mzumbe University	Senior Lecturer
2.	Mr Seushi Mburi	Vice Chairman	01 Feb, 2023	MLHSD	Director of Administration and Human Resources Management
3.	Mr. Charles Saguda	Secretary	01 Feb, 2023	Ardhi Institute Morogoro	Principal of Ardhi Institute Morogoro
4.	Mr. Hamdoury Z Mansour	Member	01 Feb, 2023	MLHSD	Director of Survey and Mapping
5.	Dr. Musa A. Musa	Member	01 Feb, 2023	RS - Morogoro	RAS - Morogoro
6.	Dr. Marcelina Baitilwake	Member	01 Feb, 2023	NACTVET	Director of Admission, Examination & Certification
7.	Dr. Tatu Limbumba	Member	01 Feb, 2023	Ardhi University	Lecturer
8.	Mr. Katemi Patrick	Member	01 Feb, 2023	Ardhi Institute Morogoro	Chairperson RAAWU - ARIMO
9.	Mr Pius Kabadi	Member	01 Feb, 2023	Ministry of Finance	Principal Accountant
10	Miss. Zaina Mangore	Member	01 Feb, 2023	Ardhi Institute Morogoro	President of ARISO

## 7.0 STAFF WELFARE

The management has maintained the relationship between management and employees as there is a systematic procedure of communication with employees on a regular basis, which is done through management and staff meetings. The management provides training facilities to staff for both short and long terms in order to update them with modern skills and technology. Other incentives include sponsoring of workers to attend seminars and short and long-term courses. In employee benefit plans, staff are paid extra duty allowances and leave allowances once every two years to enable staff and their spouse and children to travel to their place of domicile.

Signature:

Name: Charles S Saguda  
Title: Principal of Institute

Date: 20/3/2024

## **COMMENTARY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023.**

### **1.0 INTRODUCTION**

The financial statements for the financial year 2022/23 present, financial performance, financial position, cash flow and statement of changes in net assets of the Ardhi Institute Morogoro for the year ended 30 June 2023.

The financial statements also provide an analysis of the actual amount against the final budget for the year under review.

### **2.0 OVERVIEW OF FINANCIAL STATEMENTS**

The Set of financial statements includes a statement of financial position, a statement of financial performance by nature, a statement of change in net asset, a cash flow statement, and a statement of comparison of budget and actual amount and notes to the financial statements of the Ardhi Institute Morogoro.

#### **2.1. FINANCIAL POSITION**

The financial position comprises, cash and cash equivalent, receivables, inventories prepayments, property, plant and equipment, work in progress, payables, short-term loans, deposits and net assets.

##### **2.1.1 Cash and Cash Equivalent**

Cash and cash equivalent at the end of the fiscal year 2022/23 was TZS 191,143,407.27 compared to TZS 349,233,525.98 for the year ended June 2022 The decrease was due to settlement of accrued claims for Tutors and students field work allowance.

##### **2.1.2 Receivables**

The amount of receivables was TZS 1,038,998,132.00 for the year ended 30 June 2023 compared to TZS 1,579,496,482.00 for the year ended 30 June 2022 resulting to the decrease of TZS 540,498,350 (52%). The decrease in receivables resulted from the retirements made by the institute staffs after completion of their assignments and tuition fee debt recovered from students.

The amount of receivables comprises an outstanding tuition fee of TZS 168,916,663.00 and unretired imprests amounted to TZS 870,081,469.00 of which TZS 30,160,000.00 belongs to the financial year ended 2022/23 and TZS 839,921,469.00 originated from previous years' imprests.

### 2.1.3 Prepayments

Prepayments in the financial year ended 30 June 2023 was TZS 2,466,318.00 compared to TZS 2,601,420.00 reported during the year ended June 2022. This is deposit for fuel held at Government Procurement Services Agency.

### 2.1.4 Property, Plant and Equipment (PPE)

The total carrying amount for PPE as of 30 June 2023 was TZS 8,014,536,141.77 compared to TZS 7,999,698,642.26 (restated amount) for the year ended 30 June 2022. Restatement is due to the adjustment of overcharged depreciation for assets whose useful life were reviewed in 2022/23.

PPE Comprises Land TZS 6,905,160,000.00, Building and Other Unexhausted Development TZS 985,136,002.00, Furniture and Equipment TZS 22,057,276.80, Computers and Related Equipment TZS 20,693,076.31 and motor vehicles TZS 81,489,786.67. However, the institute's own library with books which were obtained through aids and subsidies with no indicated values, therefore the institute failed to recognize those books in PPE. Management is now in the process of establishing values for those books which will be effected in financial year 2023/24. Also, the institute has obsolete equipment amounting to TZS 43,183,830. These equipment have been removed in the value PPE as they are not used to generate future economic benefits to the institute, instead, they are used for studies demonstration only or for beginners.

### 2.1.5 Work in Progress

Total Work in Progress during the year ended June 2023 was TZS 203,394,741.74 compared to TZS 76,522,986.79 for the year ended June 2022. The increase in work in progress during the year of TZS 126,871,754.95(62%) was due to addition work in progress capitalized to an going construction of three classrooms.

The cost of materials used and direct labour charge during the construction of the Institute classrooms were capitalized. One classroom is financed by the Institute's own source revenue while the other two classrooms are financed by the Institute in terms of labour costs and the ministry of lands in terms of construction materials.

### 2.1.6 Accumulated Depreciation

During the year ended 30 June 2023, Ardhi Institute Morogoro recorded accumulated depreciation of TZS 453,769,561.84 compared to TZS 402,570,441.35 (restated) for the year ended 30 June 2022. Restatement is due to the adjustment of overcharged depreciation for assets whose useful lives were reviewed during 2022/23. The increase in accumulated depreciation was due to addition depreciation charged during the year.

### 2.1.7 Payables

Payables in the financial year ended 30, June 2023 were TZS 58,701,795.00 compared to TZS 202,265,000.00(restated) for the year ended 30th June 2022. The decrease in

payables of TZS 143,563,205(244%) was due to settlement of student field allowance and payment of other staff claims.

The amount payable comprises security services TZS 4,000,000, motor vehicle running costs TZS 10,815,060.00, labour charge for Local Fundi for construction of classrooms TZS 7,669,340.00 and salaries including social security contribution fund in arrears amounting to TZS 36,217,395.

#### **2.1.8 KKK Short Term Loan**

During the year under review, the institute had a balance of short-term loans that amounted to TZS 1,023,038,500 compared to TZS 1,273,038,500 reported during the year 2021/22. The decrease is due to the repayment of a loan amounting to TZS 250,000,000. The loan was obtained from the government through the ministry of lands for regularization activities in Mbalizi Township Council.

#### **2.1.9 Total Net Assets**

Ardhi Institute Morogoro has a Total Net Assets of TZS 8,434,385,245.78 as at 30<sup>th</sup> June 2023 compared to TZS 8,543,603,957.03 (restated) for the year ended 30 June 2022.

### **2.2. FINANCIAL PERFORMANCE**

#### **2.2.1 Revenue**

##### **Exchequer issues**

Exchequer issues during the year 2022/23 were TZS 1,968,926,305 compared to TZS 1,166,568,500.00 for the year 2021/2022. The increase in the amount received during the year as compared to that of previous year was contributed to increased revenue for construction of classroom and amount issued to finance regularization program in Mapinduzi and Bihawana.

The exchequer issue comprises personal emoluments TZS 643,575,605.00, other charges TZS 311,500,000.00, development TZS 799,262,500.00 and non-cash exchequer grants TZS 214,588,200.00 of which TZS 130,588,200.00 was classrooms building materials and TZS 84,000,000.00 was motor vehicle.

##### **Non Tax Revenue**

During the year under review, non-tax revenue was TZS 1,127,077,920.00 compared to TZS 1,216,159,600.00 financial year ended 2021/22.

#### **2.2.2 Wages, Salaries and employee's benefits.**

Wages, salaries and employee benefits incurred by Ardhi Institute during the year under review was TZS 1,178,888,746.99 compared to TZS 1,105,093,514.00 in the year ended 2021/22

**2.2.3 Use of Goods and Services.**

During the year under review, the use of goods and services incurred was TZS 1,854,626,830 as compared to TZS 2,294,364,191.67 in the previous ye resulted to decrease of 23.7% due to under performance of consultancy projects and land regularization activities which affected financing of budgeted activities for goods and seervices.

**2.2.4 Current grants, transfer, and subsidies**

During the year under review, the institute received non-cash of grants of TZS 214,588,200.00 from the Ministry of Lands. This consists of one motor vehicle STK 9523 with a value amount of TZS 84,000,000 and building materials for the construction of two classrooms at the institute ground amounted to TZS 130,588,200. Nothing was received during the previous year.

**2.2.5 Routine maintenance and repair**

During the year under review, Ardhi Institute Morogoro incurred TZS 77,324,858.77 as the costs of minor rehabilitation, spare parts, tyres and maintenance of motor vehicles compared to TZS 64,366,028.60 in the year ended June 2022. The increase during the year as compared to previous year was due to increased repair cost for motor vehicles.

**2.2.6 Other Expenses**

Ardhi Institute Morogoro had no expenses located to another expense category during the year ended 30 June 2023 compared to TZS 25,000,000.00 located in the year ended June 2022.

**2.2.7 Depreciation**

During the year under review, Ardhi Institute Morogoro recognized depreciation of TZS 94,382,500.49 compared to TZS 74,211,009.55 for the year ended 30 June 2022. An increase in depreciation during the year under review resulted from the recognition of depreaciation of one more motor vehicle received from the ministry of lands. Also the institute has reviewed the economic useful life of the rest of the motor vehicles thus eliminating the zero value depreciation.

**2.3. CASH FLOW STATEMENT**

**2.3.1 Cash from operation activities**

The Institute's operation activities and personal emoluments are financed by non-tax revenue and exchequer issues. During the year under review, the total cash collected both non-tax revenue and exchequer issue was TZS 2,903,918,425.00 compared to TZS 2,458,301,451.00 in 2021/22. The increase was due to an increase in development exchequer received during the year as compared to the previous year. On the other hand, the cash paid for operating activities was TZS 2,744,225,128.76 as compared to TZS 3,676,348,528.23 in the previous year. The decrease in payments was due to non-

payment of contributions to the Government, where TZS 25,000,000 was paid in the previous year.

### 2.3.2 Cash from Investing Activities

The investing activities of the Institute during the year under review were TZS 67,783,414.95 involved in purchases of furniture, computers and related equipment and construction of classrooms compared to TZS 88,261,139.40 for the year ended June 2022. The decrease in cash outflow was contributed by non-cash material grants received from the ministry of lands for construction of two class rooms TZS130,588,200

### 2.3.3 Cash from financing activities

During the year under review, the Institute managed to pay TZS 250,000,000.00 as part of the outstanding loan of TZS 1,273,038,500.00 acquired from the Ministry of Lands for regularization activities at Mbalizi Township. No repayment of the Loan was effected in 2021/22

## 3.0 AUDITORS

The Controller and Auditor-General (CAG) is the statutory auditor for the Office pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 and Section 10 (1) of the Public Audit Act, Cap 418 [R.E 2021]

Signature:



Name: Charles S Saguda

Date:

20/3/24

Title: Principal of Institute

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED  
30 JUNE 2023**

**STATEMENT OF THE MANAGEMENT RESPONSIBILITY**

Section 30 of the Public Finance Act, Cap 348 [R.E 2020] requires the Management to prepare Financial Statements for each year. The Financial Statement prepared by Management should give a true and fair view of the state of affairs of the Institute as at the end of the financial year. They are also required to ensure that the Institute keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Institute. The Management is also responsible for safeguarding the assets of the Institute.

The Management accepts responsibility for the preparation of annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with the International Public Sector Accounting Standards (IPSAS-Accrual Basis) and in the manner required by Section 30 of the Public Finance Act, Cap 348 [R.E 2020] and its regulations; and Guidelines issued or that may be issued from time to time by Paymaster General (PMG) and Accountant General (ACGEN)

The Management further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing implementing and maintaining an adequate system of internal control. Management is responsible for safeguarding the assets of the reporting entity and has a liability to take reasonable steps for the prevention and detection of fraud, errors and other irregularities.

Management accepts responsibility for the integrity of the financial statements, the information they contain, and its compliance with the Public Finance Act Cap 348 [ R.E 2020] and instructions from the Treasury. Procurement of goods, works, consultancy and non-consultancy services, to the extent that they are reflected in these Financial Statements, have been done in accordance with the Public Procurement Laws Nothing has come to the attention of the Management to indicate that the Institute will not remain a going concern for at least twelve months from the date of this Statement.

Signature:



Name: Charles Saguda

Title: Principal of Institute

Date:

20/3/24

**UNITED REPUBLIC OF TANZANIA  
MINISTRY OF LANDS, HOUSING, HUMAN SETTLEMENTS DEVELOPMENT VOTE  
048  
ARDHI INSTITUTE MOROGORO TR 06**

**DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS UNIT  
FOR THE YEAR ENDED 30 JUNE, 2023**

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accounts (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance and Accounts Unit responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Management in discharging the responsibility of preparing the financial statement of an entity showing a true and fair view of the entity's position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Management as under the Management Responsibility statement on an earlier page.

I, Nicholas E Chisuse being Head of Finance and Accounts Unit of the Ardhi Institute Morogoro hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30<sup>th</sup> June, 2023 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of The Institute of Ardhi Morogoro as on that date and they have been prepared based on properly maintained financial records.

Signed by: 

Position: Head of Finance and Accounts Unit

NBAA Membership No: ACPA 4369

Date: 20.03.2024

**UNITED REPUBLIC OF TANZANIA**  
**MINISTRY OF LANDS, HOUSING, HUMAN SETTLEMENTS DEVELOPMENT VOTE**  
**048**  
**ARDHI INSTITUTE MOROGORO TR 06**

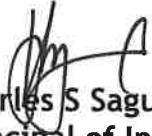
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	Notes	2022/23 TZS	RESTATED 2021/22 TZS
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	23	191,143,407.27	349,233,525.98
Receivables	24	1,038,998,132.00	1,579,496,482.00
Inventories	25	65,586,800.00	11,354,400.00
Prepayments	26	2,466,318.00	2,601,420.00
<b>Total Current assets</b>		<b>1,298,194,657.27</b>	<b>1,942,685,827.98</b>
<b>Non-current assets</b>			
Property, Plant and Equipment	27	8,014,536,141.77	7,999,698,642.26
Work In Progress	28	203,394,741.74	76,522,986.79
<b>Total Non-current assets</b>		<b>8,217,930,883.51</b>	<b>8,076,221,629.05</b>
<b>TOTAL ASSETS</b>		<b>9,516,125,540.78</b>	<b>10,018,907,457.03</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	29	58,701,795.00	202,265,000.00
KKK Short-term Loan	30	1,023,038,500.00	1,273,038,500.00
<b>Total Current liabilities</b>		<b>1,081,740,295.00</b>	<b>1,475,303,500.00</b>
<b>Non-Current liabilities</b>			
<b>TOTAL LIABILITIES</b>		<b>1,081,740,295.00</b>	<b>1,475,303,500.00</b>
<b>NET ASSETS</b>		<b>8,434,385,245.78</b>	<b>8,543,603,957.03</b>
<b>NET ASSETS</b>			
Taxpayers Fund	31	8,314,283,739.00	8,314,283,739.00
Accumulated Surplus		120,101,506.78	229,320,218.03
<b>TOTAL NET ASSETS</b>		<b>8,434,385,245.78</b>	<b>8,543,603,957.03</b>

Signature:

Name:

Title:

  
**Charles S Saguda**  
**Principal of Institute**

Date: 29/3/2024

**UNITED REPUBLIC OF TANZANIA**  
**MINISTRY OF LANDS, HOUSING, HUMAN SETTLEMENTS DEVELOPMENT VOTE**  
**048**  
**ARDHI INSTITUTE MOROGORO TR 06**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023**

<i>(Classification of Expenses by Nature)</i>	NOTE	2022/23 TZS	2021/22 TZS
<b>REVENUE</b>			
Non- Tax Revenue	11	1,127,077,920.00	1,216,159,600.00
Exchequer Issues	14	1,968,926,305.00	1,166,568,500.00
<b>TOTAL REVENUE</b>		<b>3,096,004,225.00</b>	<b>2,382,728,100.00</b>
<b>EXPENSES</b>			
Wages, Salaries and Employee Benefits	15	1,178,888,746.99	1,105,093,514.00
Use of Goods and Services	17	1,854,626,830.00	2,294,364,191.67
Routine Maintenance and Repair	19	77,324,858.77	64,366,028.60
Other Expenses	21	-	25,000,000.00
Depreciation	22	94,382,500.49	74,211,009.55
<b>TOTAL EXPENSES</b>		<b>3,205,222,936.25</b>	<b>3,563,034,743.82</b>
<b>Surplus/Deficit during the year</b>		<b>-109,218,711.25</b>	<b>-1,180,306,643.82</b>

Signature:



Name: Charles S Saguda

Date: 20/3/2024

Title: Principal of Institute

**UNITED REPUBLIC OF TANZANIA**  
**MINISTRY OF LANDS, HOUSING, HUMAN SETTLEMENTS DEVELOPMENT VOTE**  
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**STATEMENT OF CHANGE OF NET ASSET FOR THE YEAR ENDED 30 JUNE 2023**

	<u>Tax payer's fund's</u>	<u>Accumulated surplus/(deficit)</u>	<u>Total</u>
	TZS	TZS	TZS
On 01 July 2022 (Opening Balance)	8,314,283,739.00	229,320,218.03	8,543,603,957.03
Surplus/Deficit for the year	0	-109,218,711.25	-109,218,711.25
Transfer to and from surplus/deficit	0	0	0
Other reserves	0	0	0
On 30 June 2023 (Closing Balance)	8,314,283,739.00	120,101,506.78	8,434,385,245.78

			<b>RESTATED</b>
At 01 July 2021(Opening Balance)	8,314,283,739.00	1,391,218,005.85	9,705,501,744.85
Surplus for the year	0	-1,180,306,643.82	-1,180,306,643.82
Prior Year Adjustments(NOTE 8.3)	0	18,408,856.00	18,408,856.00
Transfer to and from surplus/deficit	0	0	0
Other reserves	0	0	0
At 30 June 2022( Closing Balance)	8,314,283,739.00	229,320,218.03	8,543,603,957.03

Signature:



Name: Charles S Saguda  
Title: Principal of Institute

Date: 20/3/2024

UNITED REPUBLIC OF TANZANIA  
 MINISTRY OF LANDS, HOUSING, HUMAN SETTLEMENTS DEVELOPMENT VOTE  
 048  
 ARDHI INSTITUTE MOROGORO TR 06  
 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

<i>Receipts</i>	NOTE	2022/23 TZS	2021/22 TZS
Non- Tax Revenue	12	1,149,580,320.00	1,291,732,951.00
Exchequer Issues	13	1,754,338,105.00	1,166,568,500.00
<b>TOTAL RECEIPT</b>		<b>2,903,918,425.00</b>	<b>2,458,301,451.00</b>
<i>Payments</i>			
Wages, Salaries and Employee Benefits	16	1,173,152,351.99	1,132,578,703.00
Use of Goods and Services	18	1,504,562,978.00	2,454,403,796.63
Routine Maintenance and Repair	20	66,509,798.77	64,366,028.60
Other Expenses	21	-	25,000,000.00
<b>TOTAL PAYMENTS</b>		<b>2,744,225,128.76</b>	<b>3,676,348,528.23</b>
<b>Net cash outflow from operating activities</b>		<b>159,693,296.24</b>	<b>1,218,047,077.23</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of PPE		-25,220,000.00	-11,738,152.61
Construction Classrooms(WIP)		-42,563,414.95	-76,522,986.79
<b>Net cash outflow from investing activities</b>		<b>-67,783,414.95</b>	<b>-88,261,139.40</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
KKK Short-term Loan	30	-250,000,000.00	1,273,038,500.00
<b>Net cash inflow from financing activities</b>		<b>250,000,000.00</b>	<b>1,273,038,500.00</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>-158,090,118.71</b>	<b>-33,269,716.63</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>349,233,525.98</b>	<b>382,503,242.61</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>191,143,407.27</b>	<b>349,233,525.98</b>

Signature:

Name:

Title:

Charles S Saguda  
 Principal of Institute

Date:

25/3/2024

**UNITED REPUBLIC OF TANZANIA  
MINISTRY OF LANDS, HOUSING, HUMAN SETTLEMENTS DEVELOPMENT VOTE 048  
ARDHI INSTITUTE MOROGORO TR 06**

**STATEMENTS OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2023**

**STATEMENTS OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2023**

Budget approved on the Cash Basis (Classification of Payment by Nature)

Budget Amount

	Original Budget TZS	Reallocation/A djustment TZS	Final Budget TZS	Actual Amounts on Comparable Basis TZS	Difference: Final Budget and Actual TZS
<b>RECEIPTS</b>					
Exchequer issues	1,928,806,000.00		1,928,806,000.00	1,754,338,105.00	174,467,895.00
Non-Tax Revenue	6,202,269,600.00		6,202,269,600.00	1,149,580,320.00	5,052,689,280.00
<b>TOTAL RECEIPTS</b>	<b>8,131,075,600.00</b>		<b>8,131,075,600.00</b>	<b>2,903,918,425.00</b>	<b>5,227,157,175.00</b>
<b>PAYMENTS</b>					
<b>Operations</b>					
Wages, Salaries and Employee Benefits	2,182,849,000.00		2,182,849,000.00	1,173,152,351.99	1,009,696,648.01
Use of Goods and Services	2,342,687,000.00		2,342,687,000.00	1,504,562,978.00	838,124,022.00
Routine Maintenance and Repair	86,450,000.00		86,450,000.00	66,509,798.77	19,940,201.23
Other expenses	40,000,000.00		40,000,000.00	0.00	40,000,000.00
Acquisition of PPE	2,218,589,600.00		2,218,589,600.00	25,220,000.00	2,193,369,600.00
Construction WIP	1,260,500,000.00		1,260,500,000.00	42,563,414.95	1,217,936,585.05
KKK Loan repayment				250,000,000.00	-250,000,000.00
<b>TOTAL PAYMENTS</b>	<b>8,131,075,600.00</b>		<b>8,131,075,600.00</b>	<b>3,062,008,543.71</b>	<b>5,069,067,056.29</b>
<b>NET RECEIPT/ PAYMENTS</b>				<b>-158,090,118.71</b>	

Signature:

Name: Charles Saguda

Title: Principal of Institute

Date:

20/3/2024