1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Rector,
Tengeru Institute of Community Development,
P.O. Box 1006
ARUSHA, TANZANIA

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of the Tengeru Institute of Community Development, which comprise the statement of financial position as of 30 June 2024, the statement of financial performance, the statement of changes in net assets, the 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 Tengeru Institute of Community Development as of 30 June 2024, and its financial performance and its cash flows for the year that ended following 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 following 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 Tengeru Institute of Community Development following 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 following 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 current period's financial statements. 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 general information of the institution and declaration by the head of finance but does not

include the financial statements and my audit report, which I obtained before 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 before 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 following 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 does not guarantee that an audit conducted following 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 based on these financial statements.

As part of an audit following ISSAIs, I exercise professional judgment and maintain professional scepticism 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 to design audit procedures that are appropriate in the circumstances but not to express 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 current period's financial statements and are, therefore, 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 requires me to ensure that the accounts have been prepared following the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, Cap. 410 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 LEGISLATION

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 Tengeru Institute of Community Development for the financial year 2023/24 as per the Public Procurement laws.

Conclusion
Based on the audit work performed, I state that the procurement of goods, works, and services of Tengeru Institute of Community Development generally complies with the requirements of the Public Procurement laws in Tanzania.

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 Tengeru Institute of Community Development for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion
Based on the audit work performed, I state that, except for the matters described below, the Budget formulation and execution of Tengeru Institute of Community Development generally complies with the requirements of the Budget Act and other Budget Guidelines.

Non-attainment of Budgeted Revenue TZS 1,579,849,120
The Tengeru Community Development Training Institute (TICD) reported revenue under-collection for 2023/24. The approved revenue budget was TZS 11,016,545,614, but only TZS 9,436,696,494 (86%) was collected, leaving a shortfall of TZS 1,579,849,120 (14%).

It is my view that the noted issue was contrary to the requirement of the Section 44(3) of the Budget Act, Cap.439 which states that the Accounting Officer shall commit the budget in accordance with the annual cash flow plan.

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

March 2025

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	30 June, 2024 TZS	30 June,2023 *Restated TZS
ASSETS			
Current assets			
Cash and cash equivalents	7	220,880,079	778,041109
Receivables	8	209,278,933	265,501,165
Inventories	9	94,177,687	134,112,698
Prepayments	10	2,833,100	3,461,362
		527,169,798	1,181,116,335
Non-current assets			
Property and Equipment	11	14,614,164,209	10,857,169,219
Capital working in progress	13	642,168,824	3,396,574,716
Prepayment asset	10	740,448,106	-
		15,996,781,139	14,253,743,935
TOTAL ASSETS		16,523,950,937	15,434,860,270
LIABILITIES			
Current liabilities			
Payables and Accruals	15	1,383,483,103	734,344,862
Deferred Recurrent Grant	16	-	5,000,702
Deferred Capital Grant	17	129,476,460	641,028,477
Deposits	18	31,382,117	(14,787,680)
TOTAL LIABILITIES		1,544,341,680	1,365,586,362
NET ASSETS		14,979,609,257	14,069,273,908
CAPITAL CONTRIBUTED BY:			
Taxpayers Fund	19	7,879,910,489	7,879,910,489
Accumulated surplus	20	7,099,698,768	6,189,363,419
NET ASSETS		14,979,609,257	14,069,273,908

*See Note 4, Changes in Accounting Policies, and Note 42, correction of errors.

Notes and related statements forming part of these financial statements appear on pages 33-73.

Dr. John E. Lusingu, Chairperson: Signature: .... Date: 07/03/2025

Dr. Bakari George, Rector: Signature: .... Date: 07/03/2025

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Notes	30 June 2024 TZS	30 June 2023 *Restated TZS
Revenue			
Revenue from exchange transactions	21	3,770,036,946	3,460,179,666
Revenue from non-exchange transactions	22	6,184,189,116	5,107,138,816
Total Revenue		9,954,226,062	8,567,318,482
Expenses			
Staff Salaries and Benefits	23	5,461,230,583	4,496,030,302
Use of goods and services	24	2,127,599,549	1,507,588,612
Maintenance expenses	25	556,671,455	304,911,335
Other expenses	26	394,713,902	311,969,080
Depreciation and amortisation	27	400,457,254	470,999,431
Provision for expected credit loss (ECL)	28	53,217,969	843,142,536
Grants, subsidies, and other transfer payment	29	50,000,000	25,000,000
Total Expenses		9,043,890,713	7,959,641,296
Surplus during the year		910,335,349	607,677,186

*See Note 4, Changes in Accounting Policies, and Note 42, correction of errors.

Notes and related statements forming part of these financial statements appear on pages 33-73.

Dr. John E. Lusingu, Chairperson: Signature: .... Date: 07/03/2025

Dr. Bakari George, Rector: Signature: .... Date: 07/03/2025

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Capital Fund TZS	Accumulated surplus/deficit TZS	Total TZS
Reinstated Balance as at 01.07.2022	42	7,879,910,489	5,581,686,233	13,461,596,722
The deficit for the year		-	607,677,186	607,677,186
Balance at 30 June 2023- (Restated)		7,879,910,489	6,189,363,419	14,069,273,908
Balance on 1 July 2023		7,879,910,489	6,189,363,419	14,069,273,908
Surplus for the year		-	910,335,349	910,335,349
Balance at 30 June 2024		7,879,910,489	7,099,698,768	14,979,609,257

*See Note 4, Changes in Accounting Policies, and Note 42, correction of errors.

Notes and related statements forming part of these financial statements appear on pages 33-73.

Dr. John E. Lusingu, Chairperson: Signature: .... Date: 07|03|2025

Dr Bakari George, Rector: Signature: .... Date: 07|03|2025

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	30 June 2024 TZS	30 June 2023 *Restated TZS
Cash flows from operating activities			
Receipts			
Revenue from exchange transactions	30	3,769,060,097	3,320,016,616
Revenue from non-exchange transactions	31	5,667,636,397	5,488,606,999
Increase in deposit	37	46,169,797	0
		9,482,866,291	8,808,623,615
Payments			
Staff salaries and benefits	32	(5,301,308,313)	(4,569,965,142)
Use of goods and services	33	(1,597,820,306)	(1,160,956,228)
Maintenance expenses	34	(556,671,455)	(304,911,335)
Other expenses	35	(394,713,902)	(311,969,080)
Grants, subsidies, and other transfer payment	36	(50,000,000)	(25,000,000)
Decrease in deposit	37	0	(14,787,680)
		(7,900,513,976)	(6,387,589,465)
Net cash from operating activities		1,582,352,314	2,421,034,150
Cash flows from investing activities			
Acquisition of property and equipment	11	(760,877,529)	(857,015,413)
Payment for capital work in progress	12	(642,168,824)	(1,021,647,831)
Prepayment for construction of PPE	10	(740,448,106)	-
Net cash from investing activities		(2,143,494,459)	(1,878,663,244)
Cash flows from financing activities			
Net cash used in financing activities		-	-
Net increase in cash and cash equivalents		(561,142,145)	542,370,906
Cash and cash equivalents at the beginning of the period		794,123,454	251,752,548
Cash and cash equivalents at the end of the period	7	232,981,310	794,123,454

*See Note 4, Changes in Accounting Policies and Note 41, correction of errors.

Notes and related statements forming part of these financial statements appear on pages 33-73.

Dr. John E. Lusingu, Chairperson: Signature: .... Date: 07|03|2025

Dr Bakari George, Rector: Signature: .... Date: 07|03|2025