



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



**REPORT OF THE CONTROLLER AND AUDITOR GENERAL**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT OF TANDAHIMBA  
DISTRICT COUNCIL FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE, 2020**

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Audit House,  
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March, 2021

AR/LG/VT80-3088/2019/20

**Mandate**

The statutory mandate and responsibilities of the Controller and Auditor General are provided for under Article 143 of the Constitution of the URT of 1977 (as amended from time to time) and in Section 10 (1) of the Public Audit Act No.11 of 2008.

**Vision**

To be a highly regarded Institution that excels in Public Sector Auditing.

**Mission**

To provide high quality audit services that improve public sector performance, accountability and transparency in the management of public resources.

**Core values**

In providing quality services NAO is guided by the following Core Values:

<b>Objectivity</b>	We are an impartial organization, offering services to our clients in an objective and unbiased manner.
<b>Excellence</b>	We are professionals providing high quality audit services based on standards and best practices.
<b>Integrity</b>	We observe and maintain high standards of ethical behaviour, rule of law and strong sense of purpose.
<b>People focus</b>	We value, respect and recognize interest of our stakeholders.
<b>Innovation</b>	We are a learning and creative public institution that promotes value added ideas within and outside the institution.
<b>Results Oriented</b>	We are an organization that focuses on achievement based on performance targets.
<b>Team work spirit</b>	We work together as a team, interact professionally, and share knowledge, ideas and experiences.

**We do this by:**

- ✓ Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- ✓ Helping to improve the quality of public services by supporting innovation on the use of public resources;
- ✓ Providing technical advice to our clients on operational gaps in their operating systems;
- ✓ Systematically involve our clients in the audit process and audit cycles; and
- ✓ Providing audit staff with adequate working tools and facilities that promote independence.

© This audit report is intended to be used by Tandahimba District Council and may form part of the annual general report which once tabled to National Assembly, becomes a public document hence, its distribution may not be limited.

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## Abbreviations

<b>AIDS</b>	Acquired Immuno Deficiency Syndrome
<b>AR</b>	Audit Report
<b>BOT</b>	Bank of Tanzania
<b>CAG</b>	Controller and Auditor General
<b>CMT</b>	Council Management Team
<b>DIT</b>	Dar es Salaam Institute of Technology
<b>EQUIP-T</b>	Education Quality Improvement Program-Tanzania
<b>GPSA</b>	Government Procurement Services Agency
<b>HIV</b>	Human Immunodeficiency Virus
<b>HSDG</b>	Health Sector Development Grants
<b>IAA</b>	Institute of Accountancy Arusha
<b>IESBA</b>	International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ISSAIs</b>	International Standards of Supreme Audit Institutions
<b>LAFM</b>	Local Authority Financial Memorandum
<b>LG</b>	Local Government
<b>LGA</b>	Local Government Authority
<b>LGFA</b>	Local Government Finance Act, 1982
<b>LGLB</b>	Local Government Loan Board
<b>LTCCP</b>	Long Term Council Community Plan
<b>MCR</b>	Minimum Compulsory Reserve
<b>MSD</b>	Medical Store Department
<b>NAO</b>	National Audit Office
<b>NBAA</b>	National Board of Accountants and Auditors
<b>NCA</b>	Non-Current Asset
<b>NHIF</b>	National Health Insurance Fund
<b>PO-RALG</b>	President's Office Regional Administrative and Local Government
<b>POS</b>	Point of Sale
<b>PPE</b>	Property, Plant and Equipment
<b>PPR</b>	Public Procurement Regulations, 2013 (as amended in 2016)
<b>PSSSF</b>	Public Service Social Security Fund
<b>RAS</b>	Regional Administrative Secretary
<b>RUWASA</b>	Rural Water Supply and Sanitation Agency
<b>TEA</b>	Tanzania Education Authority
<b>TEMESA</b>	Tanzania Electrical Mechanical and Electronics Services Agency
<b>TIA</b>	Tanzania Institute of Accountancy
<b>TPB</b>	Tanzania Postal Bank
<b>TPCS</b>	Tanzania Public Service College
<b>TZS</b>	Tanzania Shillings
<b>UNICEF</b>	United Nations International Children's Emergency Fund
<b>UPS</b>	Uninterruptible Power Supply
<b>URT</b>	United Republic of Tanzania

**USAID** United States Agency for International Development  
**VT** Vote  
**WSDP** Water Sector Development Program

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

Hon. Chairperson of the Council,  
Tandahimba District Council,  
P.O. Box 3  
Tandahimba  
MTWARA

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

#### **Opinion**

I have audited the financial statements of Tandahimba District Council, which comprise the statement of financial position as at 30<sup>th</sup> June, 2020, and the statement of financial performance, 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 Tandahimba District Council as at 30<sup>th</sup> June, 2020, 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 in the manner required by the Local Government Finances Act Cap 290 of 1982 (R.E 2019).

#### **Basis for Opinion**

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of Tandahimba 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.

#### **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 Director's Report, Councilor's Report and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

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.
- 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 benefits of such communication.

In addition, Section 10 (2) of the Public Audit Act, 2008 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, 2011 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

### Compliance with the Public Procurement Act, 2011 (as amended in 2016)

#### Subject matter: Compliance audit on procurement of works, goods and services

I performed compliance audit on procurement of works, goods and services at Tandahimba District Council for the financial year 2019/20 as per stipulations of Public Procurement Act, 2011 and its regulation of 2013 (as amended in 2016).

#### Conclusion

Based on the audit work performed, except for the matters described below, I state that, procurement of goods, works and services of Tandahimba District Council is generally in compliance with the requirements of the Public Procurement Act, 2011 and its underlying Regulations of 2013 (as amended in 2016).

#### Serviced motor vehicles by private garages without approval from TEMESA TZS 17,978,366

Payments totalling TZS 17,978,366 were made to private garages being costs of motor vehicles repairs without prior approval from TEMESA or the Council technician contrary to Regulation 137 of PPR, 2013 and the amendment of 2016. I also noted that, there were no records kept for replaced spare parts and post inspection was not carried out by TEMESA or Council technician for the maintenance made.

#### Procured goods and services from service providers who had no framework agreement with GPSA worth TZS 9,279,000

The Council procured goods and services worth TZS 9,279,000 from different service providers who had no framework agreement with GPSA contrary to Regulation 130 (1)(3) and (4) of the PPR, 2013 and the amendment of 2016.



Charles E. Kichere  
Controller and Auditor General  
Dodoma, United Republic of Tanzania.  
March, 2021



**2.0 FINANCIAL STATEMENTS**

## 2.0 FINANCIAL STATEMENTS

THE UNITED REPUBLIC OF TANZANIA  
PRIME MINISTER'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
TANDAHIMBA DISTRICT COUNCIL  
COUNCIL INFORMATION  
30 JUNE 2020

### PRINCIPAL PLACE OF BUSINESS

Tandahimba District Council  
P. O. Box 03,  
Tandahimba.  
Tanzania.

### BANKERS

National Micro Finance bank  
P. O. Box 15,  
Tandahimba.  
Tanzania.

### DISTRICT EXECUTIVE DIRECTOR

Mr. SAID A MSOMOKA  
P. O. Box 03,  
Tandahimba.  
Tanzania.

### AUDITORS

Controller and Auditor General,  
National Audit Office,  
Audit House,  
4 Ukaguzi Road,  
P. O. Box 950,  
41101 Tambukareli,  
Dodoma, Tanzania.

**THE UNITED REPUBLIC OF TANZANIA  
PRIME MINISTER'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
TANDAHIMBA DISTRICT COUNCIL  
DISTRICT COUNCILLORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**1. INTRODUCTION**

Councillors have the pleasure to submit their report, together with the financial statements of the Council for the year ended 30 June 2020.

**2. VISION OF THE COUNCIL**

Tandahimba is an exemplary District Council with a sustainable and improved Social and economic development for its society by the year 2021

**3. MISSION OF THE COUNCIL**

Tandahimba District Council through community and other stakeholders' participation strives for economic and social development through proper utilisation of available resources.

**4. CORE VALUES**

Tandahimba District Council's core values include highest standard of integrity, good governance, rule of law, stake holders' participation, accountability at all levels of the Council and commitment to sustainable social and economic development.

**5. FUNCTIONS OF THE COUNCIL**

According to the Local Government Act 1982, the Council has the following responsibilities:

- A. To maintain and facilitate the maintenance of peace, order and good governance within the area of its jurisdiction
- B. To promote the social welfare and economic wellbeing of all persons within its area of jurisdiction.
- C. Subject to the national policy and plans for rural and urban development, to further the social and economic development of its area of jurisdiction
- D. To give effect to the meaningful decentralization in political, financial and administrative matters relating to the functions, powers, responsibilities and services at all levels of Tandahimba District Council
- E. To promote and ensure democratic participation in, and control of decision making by the people concerned
- F. To establish and maintain reliable sources of revenue and other resources in order to enable the Council to perform its function effectively and to enhance financial accountability of Tandahimba District Council, its members and employees.

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 FOR THE YEAR ENDED 30 JUNE 2020

6. MEMBERSHIP OF THE COUNCILLORS

No.	Name	Position	Date of appointment
1	Namkulya S Namkulya	Chairman	14.12.2015
2	Makuyeka.B.Makuyeka	Vice-Chairman	14.12.2015
3	Ally Dadi Nantindu	Councilor	14.12.2015
4	Bakari Y Nampoto	Councilor	14.12.2015
5	Naleja.M.Salum	Councilor	14.12.2015
6	Ndende Ahmad Ally	Councilor	14.12.2015
7	Ngelezeni B. Musa	Councilor	14.12.2015
8	Ismail.S.Chipoka	Councilor	14.12.2015
9	Dihoni S. Hamis	Councilor	14.12.2015
10	Simba Nassoro Hashim	Councilor	14.12.2015
11	Kawasaki Lipangati	Councilor	14.12.2015
12	Nembo Hamis Mchola	Councilor	14.12.2015
13	Ponela A. Abdallah	Councilor	14.12.2015
14	Chambengela S. Yusufu	Councilor	14.12.2015
15	Mohamed T. Ussi	Councilor	14.12.2015
16	Issa Nassoro Kalumbe	Councilor	14.12.2015
17	Mtimbuka K. Ramadhan	Councilor	14.12.2015
18	Jamali.M.Mtima	Councilor	14.12.2015
19	Fidea Adrea Hitu	Councilor	14.12.2015
20	Hadija S. Mnihwika	Councilor	14.12.2015
21	Huduma S. Mnoda	Councilor	14.12.2015
22	Amina A. Simba	Councilor	14.12.2015
23	Shamia M. Kaisi	Councilor	14.12.2015
24	Fakihi M. Mwango	Councilor	14.12.2015
25	Livedo Manzi Ally	Councilor	13.12.2019
26	Chimale.S.Abdallah	Councilor	14.12.2015
27	Ayubu Mohamed	Councilor	14.12.2015
28	Salumu A. Mnyongo	Councilor	14.12.2015
29	Mkwahe A. Mohamed	Councilor	14.12.2015
30	Likapa J. Nangololo	Councilor	14.12.2015
31	Zainab H Mpota	Councilor	14.12.2015
32	Mfaume H. Abdallah	Councilor	14.12.2015
33	Namkuna R.Mtima	Councilor	14.12.2015
34	Katani A. Katani	Member of Parliament -Councilor	14.12.2015
35	Asia A. Likoba	Councilor	14.12.2015
36	Rehema C. Lihute	Councilor	14.12.2015
37	Halima Tamatama	Councilor	14.12.2015
38	Hawa M. Ramadhan	Councilor	14.12.2015
39	Asha Tebwa	Councilor	14.12.2015
40	Ashura Ngope	Councilor	14.12.2015
41	Arafa T. Nakatanda	Councilor	14.12.2015
42	Amina I. Mpota	Councilor	14.12.2015
43	Hamis Nayowela	Councilor	14.12.2015

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FOR THE YEAR ENDED 30 JUNE 2020**

**7. EMPLOYEE WELFARE**

The Council believes that its employees should find working for the Council an inspiring and personally elevating experience, and consequently accepts co-responsibility for the development of each employee to his/her full potential. Career progress is based on the individual initiative towards the fulfilment of their responsibilities complemented by the Council. This encompasses individual commitment towards innovative thinking and professional expertise resulting to reward.

The Council is convinced that equal opportunities for all irrespective of ethnicity, race, gender, disability or religion, should be pursued. The Council accepts that only through total commitment, loyalty and dedication of its employees will be able to achieve its goal. The Council provides various benefits to staff such as long service awards for retiring employees, best worker rewards and sports bonanza.

Employees are members of Public Service social Security Fund (PSSSF). The Council contributes 15% of basic salary of each employee to LAPF on behalf of all permanent employees. The Council operate insured (health benefit) plan where contributions are paid to the National Health Insurance Fund (NHIF), both the employer and employee contribute 3% of gross salary.

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FOR THE YEAR ENDED 30 JUNE 2020**

**8. STATEMENT OF COUNCILLORS' RESPONSIBILITIES**

The Local Government Finance Act 1982 Section 40 requires every Local Government Council (LGA) to prepare financial statements of the Council for each financial year, as at the end of the financial period, that gives a true and fair view of the state of affairs of the Council for that period. This legal requirement is further emphasized by the Local Government Financial Memorandum (LGFM), 2009 order 31

The councillors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgement and estimates have been made in the preparation of the financial statements for the year ended 30 June 2020. The councillors also confirm that the International Public Sector Accounting Standards (IPSAS) have been followed and that the financial statements have been prepared on the going concern basis.

The councillors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Council and which enable them to ensure that the financial statements comply with the Local Government Act. They are also responsible for safeguarding the assets of the Council and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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 Act No.7 of 2011.

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9. DECLARATIONS OF THE HEAD OF FINANCE AND TRADE DEPARTMENT OF TANDAHIMBA DISTRICT COUNCIL.

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (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/Accounting responsible for the preparation of financial statements of the entity concerned. It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity 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 Board of Directors/Governing Body as under Directors Responsibility statement on an earlier page.

I Mwamvua Juma Rubeba state that, financial statements of Tandahimba District Council for the year ended 30th June 2020 have been prepared in compliance with applicable International Public Sector Accounting Standards and Statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Tandahimba District Council as on 30th June 2020 and that they have been prepared based on properly maintained financial records.

Signed by:  .....

Position: Accountant II

NBAA Membership No.: GA 7011

Date: 17.03.2021 .....

DISTRICT TREASURER  
TANDAHIMBA DC.



THE UNITED REPUBLIC OF TANZANIA  
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**10 FINANCIAL POSITION**

**a) Property, plant and equipment**

Additions to property, plant and Equipment during the year amounted to TZS 1,478,931,494 which was financed by Government capital grants, Council's own sources and donors. During the year under review the council has received one motor vehicle (Toyota single cabin DFPA 7314) From Global alliance for vaccine and immunization (GAVI) whose value is TZS 53,000,000. Also during the year under review the council were transferred assets amounted to TZS 5,604,850.60 to RUWASA

The council had supposed to revalue its assets as required by IPSAS 16, even if nothing were done during the year 2019/2020 because of lack of fund, although we were budgeted to conduct the revaluation of assets during the financial year 2020/2021.

**b) Investments in associates**

These are shares purchased from Tandahimba Community Bank (TACOB) using Council own source. Currently the Council owns 631,532 shares @ 1000.00 where there were no additional share purchased during the year.

**Other financial assets**

The council own TZS 127,541,300 as other financial assets where by TZS 82,500,300 are investments in Local Government Loans Board (LGLB) and TZS 45,041,000 are investment in ALAT Taifa which there were no any additional cost during the year under review.

**c) Inventories**

During the year under review Inventories amounted to TZS 271,743,351 which was exclusively consumables, mainly stationeries, building materials, drugs and medicines.

**d) Receivables**

Receivable increased from TZS. 2,276,739,778 in 2019 to TZS. 2,358,649,778 in 2020 due to issuing of women, youth and disabled loans to different groups within the financial year.

**e) Prepayments**

Prepayments were decreased from TZS. 42,707,731 in 2019 to TZS. 9,669,721 in 2020 due to receipts of prepayments from Medical Store Department (MSD)

**f) Cash and cash equivalents**

Cash and cash equivalents increased from 1.264 billion in 2019 billion to 2.069 billion in 2020, the reason is that, the council received grants for implementation of different activities at the end of June 2020 resulting to failure to implement the planned activities on time. The late release of fund includes P4R fund, TEA funds, free education funds, SWASH fund and HSBF funds.

**g) Payables**

This decreased from TZS. 129,839,132 to TZS 115,525,514 due to repayment of outstanding supplies debts for the year 2019

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**10 FINANCIAL POSITION (Continued)**

**h) Employees benefits**

The amount were increased from TZS 365,473,659 to 388, 251,684 due to recognition of teachers claims

**i) Deferred capital Grants**

This is amount of capital grants which were not used (unspent/unapplied balance) where increased from TZS 752,446,782 from the year 2019 to TZS. 1,223,400,000 due to late release of P4R and SWASH funds.

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 FOR THE YEAR ENDED 30 JUNE 2020

11 FINANCIAL PERFORMANCE

	Original Budget {A}	Final Budget {B}	Actual Amount {C}	Difference {B- C}
	TZS	TZS	TZS	TZS
<b>Revenue</b>				
Local Taxes	2,519,400,000	2,519,400,000	3,015,765,410	(496,365,410)
Fees, fines, penalties and licenses	1,134,588,000	1,134,588,000	666,623,383	467,964,617
Recurrent Grants	37,596,221,549	37,596,221,549	21,485,732,130	16,110,489,419
Revenue from exchange transactions	19,200,000	19,200,000	15,528,284	3,671,716
Other own Revenue	218,762,000	218,762,000	676,614,153	(457,852,153)
Capital grants Deposits Loans recovery from women and youth groups	2,688,503,493	2,688,503,493	1,614,454,604 63,373,537 18,090,000	1,074,048,889
	<u>44,176,675,042</u>	<u>44,176,675,042</u>	<u>27,556,181,501</u>	<u>16,701,957,078</u>

**Revenue**

**a) Local taxes**

Revenue from Local taxes were TZS 3,015,765,410 which is above the final budget by TZS. 496,365,410 equal to 120 % of collections, this is due to the increase in cashew nut produce cess per kilogram from TZS 45.3 to TZS 56.2 of sold raw cashew nut.

**b) Fees, fines, penalties and licenses**

Collections from fees, fines, penalties and licenses were below by 467,964,617 as compared to the final budget due to decrease in collection from CHF as the revenue source has been overtaken by RAS office and decrease in business license revenue as it has been affected negatively by the introduction of special business identities to small entrepreneurs.

**c) Recurrent grants**

Recurrent grants amortized for the period amounted to TZS. 22,908,732,032

**d) Revenue from exchange transactions**

Revenue from exchange transactions has amounted to TZS 15,528,284 where most amount is collected from renting council assets.

**e) Amortization of capital grant**

The amount of capital grant amortized during the year is TZS. 494,054,604

**f) Other own revenue**

Other revenue collected is TZS. 676,614,153 which is TZS 20 per kg of raw cashewnut sold contribution to villages for implementation of different development activities in village level.

**g) Finance Income**

During the year under review the council had no interest received.

THE UNITED REPUBLIC OF TANZANIA  
 PRIME MINISTER'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
 TANDAHIMBA DISTRICT COUNCIL  
 DISTRICT COUNCILLOR'S REPORT (Continued)  
 FOR THE YEAR ENDED 30 JUNE 2020

11 FINANCIAL PERFORMANCE (Continued)

Expenditure	Original Budget {A}	Final Budget {B}	Actual Amount {C}	Difference {B- C}
Wages, salaries and employee benefits	34,925,144,955	34,935,901,587	19,372,546,163	15,563,355,423
Supplies and consumables used	4,172,777,200	4,194,155,767	3,176,791,255	1,017,364,512
Maintenance expenses	2,524,692,130	2,532,712,242	1,636,749,968	895,962,274
Grants and other transfer payments	554,535,758	1,032,617,958	335,939,760	696,678,198
Acquisition of fixed assets	1,766,493,100	1,768,993,100	1,425,931,494	343,061,606
Loans to Women and Youth groups			100,000,000	
Cash transferred to RUWASA			702,446,782	
	<u>44,176,675,042</u>	<u>44,697,412,553</u>	<u>26,750,405,422</u>	<u>18,516,422,014</u>

**Expenditure**

**a) Wages, salaries and employee benefits**

Wages, salaries and other employee benefits during the year were amounted to TZS 19,372,546,163 which is below the approved budget by TZS 15,668,223,820 because there was no salary increment in the year.

**b) Supplies and consumables used**

Supplies and consumable expenses were TZS 3,176,791,255 which was below the approved budget by TZS 912,496,116 due to failure of the central government to release grants as budgeted and on time.

**c) Maintenance expenses**

Maintenance expenses during the year were amounted to TZS 2,339,196,750 as compared to the budget of TZS 895,962,274 due to late release of fund by the government.

**d) Grants and other transfer payments**

Grants and other transfer payments were TZS 335,939,760 which is below the budget allocated TZS 1,032,617,958. The reason behind being that some of the budgeted funds were not received for implementation of the planned activities.

**e) Finance costs**

During the year under review there were no finance costs.

**f) Depreciation of property, plant and equipment**

Depreciation of property, plant and equipment amounting to TZS. 1,107,375,547 was charged to the statement of financial performance during the year.

THE UNITED REPUBLIC OF TANZANIA  
 PRIME MINISTER'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
 TANDAHIMBA DISTRICT COUNCIL  
 DISTRICT COUNCILLOR'S REPORT (Continued)  
 FOR THE YEAR ENDED 30 JUNE 2020

**12 OWN SOURCE REVENUE**

	Budget 2020	Actual -2020	%age Variance Budget Vs Actual	Actual- 2019
	TZS	TZS	TZS	TZS
Revenue				
Local Taxes	2,519,400,000	3,015,765,410	19.7	210,565,098
Fees, fines, penalties and licenses	1,134,588,000	666,623,383	-41.2	813,625,248
Revenue from exchange transactions	19,200,000	15,528,284	-19.1	27,894,072
Other own revenue	218,762,000	676,614,153	209.3	-
<b>Total Own Source Revenue</b>	<b>3,891,950,000</b>	<b>4,374,531,230</b>	<b>80.02</b>	<b>1,052,084,418</b>

In total, revenue from own sources decreased by 19.98% as compared to the final budget due to decrease in collection from CHF as the revenue source has been overtaken by RAS office and decrease in business license revenue as it has been affected negatively by the introduction of special business identities to small entrepreneurs.

**13 CHARITABLE AND POLITICAL DONATIONS**

During the year under review, the Council made neither donation nor other contributions of a charitable nature or political donations.

**14 IMPLEMENTATION OF THE PLAN AND BUDGET 2019/2020**

During the year 2019/2020, the Council annual plans and the approved budget expenditure was TZS 44,697,412,553. Actual expenditures amounted to TZS. 26,550,405,421 which is 60 percent of the Council's annual approved budget for the year 2019/2020.

**15 FUTURE PLANS OF THE COUNCIL**

The future plans of Tandahimba District Council include:

- To reduce dependency on the Central Government by increasing own source collections in the coming financial year by efficiently and effectively collecting existing revenue sources through the enforcement of the existing bylaws and amendments of out-dated by laws .
- To complete the existing projects before embarking on new ones
- To sensitize the community to actively participate in the development projects and other economic activities and develop a sense of ownership for the projects already completed and the ongoing ones.
- Continuous improvement of social services and provision of service delivery to Tandahimba rural community.

THE UNITED REPUBLIC OF TANZANIA  
PRIME MINISTER'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
TANDAHIMBA DISTRICT COUNCIL  
DISTRICT COUNCILLOR'S REPORT (Continued)  
FOR THE YEAR ENDED 30 JUNE 2020

## 16 COMMUNITY CONTRIBUTION

### a) In monetary terms

During the year, the community contribution to various projects supported by the Council and other stake holders in monetary terms amounted to about TZS 200 million.

### b) In kind

Apart from monetary contributions the community also engaged in different activities physically in order to complete the established development projects such as the use of local funds in construction process, provision of sand, gravel, stones, water and supervision and safeguarding the projects. All these amounted to about 100 million if quantified in monetary terms.

## 17 CONSTRAINTS AND CHALLENGES

In order for the council to perform its function of provision of service to the citizens, it needs fund at right time. In the financial year 2019/2020 the council received funds from P4R, TEA, Free education, SWASH and Health Basket Fund very late such that it could not perform the expected activities within the required financial year, as a result the expected service provision through the unperformed projects and activities were not performed.

## 18 DISADVANTAGED GROUPS

**Disabled persons welfare:** To create equal opportunities for the people with disabilities in order to improve their standard of living for example- to sensitize community development for the people regardless of their disabilities, involve them in decision making issues, and assist households with people with disabilities to live decently.

**Gender balance policies:** To correct gender differences existing among men and women; capacity building to community members on gender relations economically, socially, culturally and politically.

**HIV/AIDS policies:** Prevention of HIV/AIDS infections, sensitization of voluntary testing of HIV/AIDS, Supporting people living with HIV/AIDS and disseminating knowledge to community members on HIV/AIDS prevalence and call for joint efforts from different partners to fight against AIDS.

## 19 CORPORATE GOVERNANCE

The composition of councilors includes both nominated and elected members. There are clear demarcations of roles and functions of personnel. The council has the following committees entrusted with specific task of the Governing council:

- 1. Finance, Administration and Planning Committee:** Membership in this Committee is composed of the Council Chairman who is a chairperson of this committee, the Vice council chairman who is the vice chairperson of the committee, two chairmen of the other two standing committees namely Education, health, and water; and Economic affairs, works and environment committees, a member of parliament in the District and Four councilor nominees of Council chairman whom altogether in the committee do not exceed one third of all councilors .
- 2. Education, Health and water committee:** Membership in this committee .consists of the Chairman of the Council who is an ordinary member in this committee, Chairman of the committee, a member of parliament, and nine other Council members whom are not in any other standing committee and provided that the composition of the committee do not exceed one third of all councilors.
- 3. Economic affairs, works and environment committee:** This committee is composed of eleven members including the chairman of the Committee, Council chairman who is an ordinary member, a member of parliament in the District and eight other Councilors.

There are four other subcommittees namely HIV/AIDS prevention committee, Ethics committee, integrity committee and Council reform program committee which assist effective functioning of the standing committees.

THE UNITED REPUBLIC OF TANZANIA  
PRIME MINISTER'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
TANDAHIMBA DISTRICT COUNCIL

DISTRICT COUNCILLOR'S REPORT (Continued)  
FOR THE YEAR ENDED 30 JUNE 2020

20 CROSS-CUTTING ISSUES

ENVIRONMENTAL ISSUES

Main environmental challenges include;

- Water source deterioration and pollution that lead to water related diseases such as typhoid and cholera.
- Uncontrollable wild forest fires
- Forest encroachment and degradation.
- Unsustainable stone and gravel mining.
- Farming on marginal land (Escarpment and sensitive areas).
- Lack of accessible good quality water for Tandahimba rural inhabitants.

Efforts to reverse the trend (existing initiatives)

- Participatory implementation of water supply and sanitation program for rural projects.
- Participatory forest management to forest adjacent communities.
- Participatory Agriculture Development Program
- Formulation of by laws to protect sensitive areas.
- To carry out the environment and social impact assessment.
- To develop programs for environmental protection and auditing.
- Designating some of the councils' employees and local leaders to be environmental management officers/leaders at ward and village level.

GENDER ISSUES

To create awareness to the community on the importance of gender balance politically, economically, socially and culturally in all levels.

21 AUDITORS

The Controller and Auditor-General (CAG) is the statutory auditor for the Council pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2000), Section 9 - 12 of the Public Audit Act, 2008, Section 45 of the Local Government Finances Act, 1982 (revised 2000) and Public Finance Act No 6 of 2001 (revised 2004).



SAID A MSOMOKA  
Executive Director

Date: 17-06-2020





THE UNITED REPUBLIC OF TANZANIA  
PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
TANDAHIMBA DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020

	<u>Notes</u>	2020 TZS	2019 TZS
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	21	2,069,982,405	1,264,206,325
Prepayments	34	9,669,721	42,707,731
Receivables	22	2,358,649,778	2,276,739,778
Inventories	23	271,743,351	262,817,129
Other financial assets	24	-	-
		<u>4,710,045,255</u>	<u>3,846,470,962</u>
<b>Non-current assets</b>			
Other financial assets	24	127,541,300	127,541,300
Investments in associates (at cost)	26	631,532,000	631,532,000
Property, plant and equipment	25	29,657,596,984	33,710,268,232
Intangible assets	0	-	-
		<u>30,416,670,284</u>	<u>34,469,341,532</u>
<b>TOTAL ASSETS</b>		<b>35,126,715,538</b>	<b>38,315,812,494</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	27	115,525,514	313,498,191
Employees Benefits	35	388,251,684	181,814,600
Depositors Fund	32	142,153,037	78,779,500
Deferred income (Grant)	11	353,165,871	1,610,022,312
		<u>999,096,106</u>	<u>2,184,114,603</u>
<b>Non-current liabilities</b>			
Deferred capital grant	28	1,223,400,000	752,446,782
		<u>1,223,400,000</u>	<u>752,446,782</u>
<b>TOTAL LIABILITIES</b>		<b>2,222,496,106</b>	<b>2,936,561,385</b>
<b>NET ASSETS</b>		<b>32,904,219,432</b>	<b>35,379,251,109</b>
<b>NET ASSETS</b>			
Accumulated surplus/deficit	SCNA	32,821,719,132	35,296,750,809
Minimum Compulsory Reserve	SCNA	82,500,300	82,500,300
<b>TOTAL NET ASSETS</b>		<b>32,904,219,432</b>	<b>35,379,251,109</b>

This statements were authorised for issue by CMT held on 28/09/ 2020 at the council's

  
RAPHAEL B. MPUA  
SECRETARY

DISTRICT HUMAN RESOURCES &  
ADMINISTRATIVE OFFICER  
TANDAHIMBA DC.

  
SAIDI. A. MSOMOKA  
DISTRICT EXECUTIVE DIRECTOR

  
HALIMU MURRAYA WILAYA TANDAHIMBA  
P. O. Box 03  
TANDAHIMBA  
MKURUGENZI MTENDAJI

THE UNITED REPUBLIC OF TANZANIA  
 PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
 TANDAHIMBA DISTRICT COUNCIL  
 STATEMENT OF FINANCIAL PERFORMANCE  
 FOR THE YEAR ENDED 30 JUNE 2020

		2020	2019
	<u>Notes</u>	TZS	TZS
<b>Revenue</b>			
Local taxes	9	3,015,765,410	210,565,098
Fees, fines, penalties and licenses	10	666,623,383	815,141,110
Amortisation recurrent grants	11	22,908,732,032	22,303,504,620
Revenue from exchange transactions	12	15,528,284	27,894,072
Amortisation of capital grant	28	494,054,604	1,898,289,496
Other own revenue	14	676,614,153	-
		<b>27,777,317,865</b>	<b>25,255,394,395</b>
<b>Expenses</b>			
Wages, salaries and employee benefits	15	19,395,324,188	18,987,015,975
Supplies and consumables used	16	3,352,732,884	3,588,141,778
Maintenance expenses	17	1,636,749,968	421,966,038
Grants and other transfer payments	18	335,939,760	1,731,717,417
Depreciation of property, plant and equipment	25	1,107,375,547	1,713,534,890
		<b>25,828,122,347</b>	<b>26,442,376,099</b>
Transfers		-	-
<b>Surplus during the year</b>		<b>1,949,195,518</b>	<b>(1,186,981,703)</b>

This statements were authorised for issue by CMT held on 28/09/ 2020 at the council's hall in Tandahimba and were signed by; and which present true and fair view

  
 RAPHAEL B. MPUA  
 SECRETARY

  
 SAIDI A. MWANJIKA  
 DISTRICT EXECUTIVE DIRECTOR



DISTRICT HUMAN RESOURCE &  
 ADMINISTRATIVE OFFICER  
 TANDAHIMBA DC.

**STATEMENT OF CHANGES IN NET ASSETS  
PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
TANDAHIMBA DISTRICT COUNCIL  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 30 JUNE 2020**

	Accumulated surplus/deficit TZS	Minimum Compulsory Reserve TZS	
Balance at 1 July 2008	-	-	
Prior period errors	-	-	
<b>Balance at 1st July 2018</b>	36,497,886,559	82,500,300	36,580,386,859
Surplus during the year	(1,186,981,703)		(1,186,981,703)
Transfer of own source to capital expenditure	(52,000,000)		(52,000,000)
Adjustment of omitted shares from TACOBA	37,845,954		37,845,954
<b>Balance at 30th June 2019</b>	35,296,750,809	82,500,300	35,379,251,109
<b>Balance at 1st July 2019</b>	35,296,750,809	82,500,300	35,379,251,109
Surplus during the year	1,949,195,518		1,949,195,518
Accumulated depreciations transferred to RUWASA	1,180,623,410		1,180,623,410
PPE Transferred to RUWASA	(5,604,850,605)		(5,604,850,605)
<b>Balance at 30th June 2020</b>	32,821,719,132	82,500,300	32,904,219,432

This statements were authorised for issue by CMT held on 28/09/ 2020 at the council's hall in Tandahimba and were signed by; and which present true and fair view

  
RAPHAEL B. MPUA  
SECRETARY

  
SAIDI. A. MSOMOKA  
DISTRICT EXECUTIVE DIRECTOR

**DISTRICT HUMAN RESOURCE &  
ADMINISTRATIVE OFFICER  
TANDAHIMBA DC.**





**PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
TANDAHIMBA DISTRICT COUNCIL  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2020**

		2020	2019
	Notes	TZS	TZS
<b>Cash flows from operating activities 30 JUNE 2020</b>			
<b>Receipts</b>			
Local taxes	9	3,015,765,410	210,565,098
Fees, fines, penalties and licenses	10	666,623,383	813,625,248
Grants Received	11	23,100,186,734	24,329,291,212
Revenue from exchange transactions	12	15,528,284	27,894,072
Increase/Decrease in Deposit	32	63,373,537	33,393,388
Other Revenue	14	676,614,153	-
Loans recovery from women and youth groups	22B	18,090,000	41,245,000
<b>Payments</b>			
Wages, salaries and employee benefits	15	19,372,546,163	18,748,991,515
Supplies and consumables used	16	3,176,791,255	2,927,518,910
Maintenance expenses	17	1,636,749,968	421,966,038
Grants and other transfer payments	18	335,939,760	1,731,717,417
Finance costs	19	-	-
Loans to Women and Youth groups	22B	100,000,000	19,350,000
Cash transferred to RUWASA	28	702,446,782	-
<b>Net cash from operating activities</b>		<b>2,231,707,574</b>	<b>1,606,470,136</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	25	1,425,931,494	(1,749,654,536)
Investments with LGLB and ALAT		-	-
Purchase of intangible assets		-	-
Aquisition of Shares (TACOBAs)	26	-	-
Fixed deposits matured	24	-	-
<b>Net cash from investing activities</b>		<b>1,425,931,494</b>	<b>(1,749,654,536)</b>
<b>Cash flows from financing activities</b>			
		-	-
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>805,776,080</b>	<b>(143,184,399)</b>
<b>Cash and cash equivalents at 01 July</b>		<b>1,264,206,325</b>	<b>1,407,390,724</b>
<b>Cash and cash equivalents at 30 June</b>		<b>2,069,982,405</b>	<b>1,264,206,325</b>

The notes on pages 19 to 54 form part of these financial statements.

This statements were authorised for issue by CMT held on 28/09/ 2020 at the council's hall in Tandahimba and were signed by; and which present true and fair view

  
RAPHAEL B. MPUA  
SECRETARY

  
SAIDI. A. MSOMOKA  
DISTRICT EXECUTIVE DIRECTOR

**DISTRICT HUMAN RESOURCE &  
ADMINISTRATIVE OFFICER  
TANDAHIMBA DC.**



THE UNITED REPUBLIC OF TANZANIA  
 PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
 TANDAHIMBA DISTRICT COUNCIL  
 STATEMENT OF FINANCIAL PERFORMANCE - BY FUNCTION FOR THE  
 YEAR ENDED 30 JUNE 2020

	2020	2019
	TZS	TZS
<b>Revenue</b>		
Local taxes	3,015,765,410	210,565,098
Fees, fines, penalties and licenses	666,623,383	815,141,110
Amortisation recurrent grants	22,908,732,032	22,303,504,620
Revenue from exchange transactions	15,528,284	27,894,072
Amortisation of capital grant	494,054,604	1,898,289,496
Other own revenue	676,614,153	-
	<b>27,777,317,865</b>	<b>25,255,394,395</b>
<b>Expenses</b>		
Administration	4,862,962,293	2,541,353,309
Human resource management and development	429,173,638	17,686,353,869
Agriculture	790,650,595	19,272,900
Education	14,703,305,853	2,933,178,707
Primary health services	3,238,981,223	1,865,739,457
Water	93,186,500	180,269,205
Works	1,289,324,299	13,563,000
Lands	34,873,870	5,000,000
Community development, gender and children	385,664,076	1,197,645,650
	<b>25,828,122,347</b>	<b>26,442,376,099</b>
<b>Surplus during the year</b>	<b>1,949,195,518</b>	<b>(1,186,981,703)</b>

The notes on pages 19 to 54 form part of these financial statements.

This statements were authorised for issue by CMT held on 28/09/ 2020 at the council's hall in Tandahimba and were signed by; and which present true and fair view

  
 RAPHAEL B. MPUA  
 SECRETARY

DISTRICT HUMAN RESOURCE &  
 ADMINISTRATIVE OFFICER  
 TANDAHIMBA DC.

  
 SAIDI.A.MSOMOKA  
 DISTRICT EXECUTIVE DIRECTOR



**THE UNITED REPUBLIC OF TANZANIA  
PRIME MINISTER'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
TANDAHIMBA DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**1. COUNCIL INFORMATION**

Tandahimba District Council is a Council established under Section 5 of the Local Government (District Authorities) Act, 1982 under the Ministerial establishment dated 7<sup>th</sup> July 2000 and certification of establishment was issued by Clerk of the National Assembly on 7<sup>th</sup> May 2007.

The Council is under the supervision of the President Office - Regional Administration and Local Government Authorities. The running of the Council is vested on the council of 41 members who are either elected or nominated in accordance with section 19 of the act. The day to day running of the affairs of the Council is on the Council Director.

The head office of the council is located at Tandahimba  
The District is a Grade II Council. The area of the Council is 1673 kilometre squares. According to the recent census, the Council population is 128,869 being women and 111,007 being men. The Council is divided into 3 divisions, and 31.Wards consisting of 157 villages.

**2. PRINCIPAL ACTIVITIES**

The primary activities of the Council are:

- To maintain and facilitate the maintenance of peace, order and good government within its area of jurisdiction;
- To promote the social welfare and economic well-being of all people within its area of jurisdiction;
- Subject to the national policy and plans for rural and urban development, to further the social and economic development of its area of jurisdiction.

**3. AUTHORISATION OF FINANCIAL STATEMENTS**

The Financial statements for the year ended 30<sup>th</sup> June 2020 were authorized for issue on 28.09.2020 by the Council Management Team (CMT) meeting held at council's hall in Tandahimba.

**4. BASIS OF PREPARATION**

The financial statements have been prepared on going concern and accrual basis except for investment properties, land and buildings, financial instruments and available-for-sale investments that have been measured at fair value. The financial statements are presented in Tanzanian Shillings (TZS) and all values are rounded to the nearest Shilling.

**Statement of compliance**

The financial statements of the Council have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and comply with the Local Government Finances Act, 1982 as amended in 2000.

THE UNITED REPUBLIC OF TANZANIA  
PRIME MINISTER'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
TANDAHIMBA DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2020

**5. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES**

The accounting policies adopted are consistent with those of the previous financial year.  
List of IPSAs used in presenting financial statements

**6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted, which are consistent with those of previous years, are shown below.

List of IPSAs used in presenting Financial Statements are;

IPSAS 1- Presentation of Financial Statements

IPSAS 2- Cash Flow Statement

IPSAS 3- Accounting policies, Change in Accounting Estimates and Errors

IPSAS 6- Consolidated and separate Financial Statements

IPSAS 7- Investment in Associate

IPSAS 9- Revenue from exchange transactions

IPSAS 12- Inventories

IPSAS 14- Events after the reporting date

IPSAS 16- Investment property

IPSAS 17- Property, Plant and Equipment

IPSAS 19- Provisions, Contingent liability and contingent assets

IPSAS 20- Related party disclosure

IPSAS 21- Impairment of non-cash generating asset

IPSAS 23- Revenue from non-exchange transactions

IPSAS 24- Presentation of budget in financial statements

IPSAS 25- Employee benefits

List of IPSAS which were not used;

IPSAS 5- Borrowing costs

IPSAS 13- Leases

IPSAS 27- Agriculture

IPSAS 31- Intangibles assets

IPSAS 32- Service concession arrangements

**Foreign currency translation**

*Functional and presentation currency*

Items included in the financial statements of the Council are measured using the currency of the primary economic environment in which the Council operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings (TZS), which is the Council's functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

**THE UNITED REPUBLIC OF TANZANIA  
PRIME MINISTER'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
TANDAHIMBA DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**Cash and cash equivalents**

Cash and bank balances in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, and is measured at amortized cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**Employment benefits**

Employee benefits include salaries, pensions and other related - employment costs. Employee benefits are recognized on accrual basis.

The Council operates a defined contribution plans. Employees are members of various social security funds including Public Services Social Security Fund (PSSSF). The Council contributes 15% of basic salary for each employee and the employee contributes 5% of the basic salary. Additionally, the Council operate insured (health benefit) plan where contributions are paid to the National Health Insurance Fund (NHIF), both the employer and employee contribute 3% of gross salary.

**Revenue from exchange transactions**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be reliably measured. *Revenue is reduced for estimated customer returns, rebates and other similar allowances.* The following specific recognition criteria must also be met before revenue is recognized:

***Sale of goods***

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- ✦ the Council has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ✦ the Council retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- ✦ the amount of revenue can be measured reliably;
- ✦ it is probable that the economic benefits associated with the transaction will flow to the entity; and
- ✦ The costs incurred or to be incurred in respect of the transaction can be measured reliably.

***Rendering of services***

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- ✦ installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the statement of financial position date;
- ✦ servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- ✦ Revenue from time and material contracts is recognized at the contractual rates as labor hours are delivered and direct expenses are incurred.
- ✦ Income from providing financial guarantee is recognized in statement of financial performance over the guarantee period on a straight line basis.



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**6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Interest income*

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

*Dividend income*

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

*Royalties*

Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognized on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognized by reference to the underlying arrangement.

*Rental income*

Rental income from investment properties is recognized on a straight-line basis over the term of the relevant lease.

**Revenue from non-exchange transactions**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

*Government grants*

Government grants are not recognized until there is reasonable assurance that the Council will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the Council should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and transferred to statement of financial performance on a systematic and rational basis over the useful lives of the related assets. Other government grants are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Council with no future related costs are recognized in the statement of financial performance in the period in which they become receivable.

*Other transfers*

Other transfers include fees, fines, penalties, licenses, gifts, donations (including goods-in-kind), and transfers from other government entities. These are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and the fair value of the asset can be measured reliably.

Services-in-kind are not recognized as revenue, but are disclosed in the financial statements.

*Local taxes and levies*

Taxes and levies are recognized when the taxable event occurs and the asset recognition criteria are met.

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**6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in the statement of financial performance for the period in which they arise.

**Non-current assets held for sale**

Non-current assets and disposal group are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets (and disposal group) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

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6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Property, plant and equipment**

Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of any replacement parts in accordance with the related recognition criteria. Depreciation is calculated on a straight-line basis over the useful life of the assets. The annual rates of depreciation which have been consistently applied are:

Description	Years
<b>Administration assets</b>	
Leasehold land	Over the lease term
<b>Buildings</b>	
Residential	50
School	75
Hospital	60
Office	50
Dwelling	50
Plant and machinery	15
Furniture, fixture and equipment	5
<b>Motor vehicles</b>	
▪ Heavy duty (5 tons and above)	10
▪ Light duty (below 5 tons)	5
Motor cycle	7
Computer hardware	4
<b>Infrastructural assets</b>	
Leasehold land	Over the lease term
<b>Roads</b>	
▪ Gravel roads and culverts/drifts	4
▪ Tarmac roads and culverts/drifts	10
▪ Earth roads (initial cost) and culverts/drifts	
<b>Bridges</b>	
▪ Wooden bridges	2
▪ Concrete bridges	100
▪ Steel bridges	50
<b>Buildings</b>	
Residential	50
School	75
Hospital	60
Office	50
Dwelling	50
Shallow wells	15
Boreholes	15
Sewerage systems	15
Water systems	15
Drainage systems	15
Agriculture and livestock extension system	25
Plant and machinery	15
Furniture, fixture and equipment	10
Motor vehicles	

▪ Heavy duty (5 tons and above)	10
▪ Light duty (below 5 tons)	5
Motor cycle	7
Computer hardware	5

### Property, plant and equipment (Continued)

The carrying values of cash - generating property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of financial performance in the year the asset is derecognized.

The residual values, useful lives and methods of depreciating property, plant and equipment are reviewed, and adjusted if appropriate, at each financial year end.

When each major inspection is performed, its cost is recognized in the carrying amount of property, plant and equipment as a replacement if the recognition criteria are satisfied.

The following recognition criteria are used for roads:

Description	Years
Road formation	20
Routine maintenance (expensed)	N/A
Spot maintenance*	
Periodic maintenance	
▪ Gravel roads	4
▪ Tarmac roads	10

\*Spot maintenance is evaluated on individual basis to determine whether they meet the recognition criteria for an asset, or need to be expensed.

### Intangible assets

Intangible assets (consisting of computer software) acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets are not capitalized and expenditure is charged against surplus/deficit in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The expected useful life is approximately 5 to 15 years.

The amortization period and the amortization method for an intangible asset are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of financial performance. Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in surplus/deficit when the asset is derecognized.

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**6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Interest bearing loans and borrowings**

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus/deficit when the liabilities are derecognized as well as through the amortization process.

**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**Provisions**

Provisions are recognized when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Council expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in surplus/deficit net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**Related Party Transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. They include relationship with subsidiaries, associates, joint ventures and key Management personnel. For Tandahimba Council key management includes; Chairman, Vice Chairman, council members, directors, heads of departments and Units and their close relatives. Some of the Council's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements.

## 6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Council in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IPSAS are recognized at their fair values at the acquisition date, except for non-current assets (or disposal group) that are classified as held for sale in accordance with *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Council's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in the statement of financial performance.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

### Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Council's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the surplus/deficit on disposal.

The Council's policy for goodwill arising on the acquisition of an associate is described under 'Associates' below.

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**6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Associates**

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Council's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Council's interest in that associate (which includes any long-term interests that, in substance, form part of the Council's net investment in the associate) are not recognized, unless the Council has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Council's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Council's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in surplus/deficit.

Where a Council entity transacts with an associate of the Council, profits and losses are eliminated to the extent of the Council's interest in the relevant associate.

**Interests in joint ventures**

A joint venture is a contractual arrangement whereby the Council and other parties undertake an economic activity that is subject to joint control. That is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Where a Council undertakes its activities under joint venture arrangements directly, the Council's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognized in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Council's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognized when it is probable that the economic benefits associated with the transactions will flow to/from the Council and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Council reports its interests in jointly controlled entities using proportionate consolidation, except when the investment is classified as held for sale, in which case it is accounted for under Non-current Assets Held for Sale and Discontinued Operations. The Council's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis. Any goodwill arising on the acquisition of the Council's interest in a jointly controlled entity is accounted for in accordance with the Council's accounting policy for goodwill arising on the acquisition of a subsidiary. Where the Council transacts with its jointly controlled entities, unrealized profits and losses are eliminated to the extent of the Council's interest in the joint venture.

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6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Impairment of non-financial assets**

The Council assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Council makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the statement of financial performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of financial performance. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**Inventories**

Inventories are stated at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

*Raw materials* - purchase cost on first in first out basis; first out basis.

*Stationeries and other consumables* - cost is determined on first in

*Finished goods and work in progress* - cost of direct materials and labour and a proportion of manufacturing overheads based on normal capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.



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**6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

*The Council as lessor*

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Council's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Council's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

*The Council as lessee*

Assets held under finance leases are recognized as assets of the Council at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to statement of financial performance, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Council's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged as an expense to the statement of financial performance on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

**Investments and other financial assets**

Financial assets within the scope of IPSAS 15 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Council determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Council commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

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6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term.

*Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Council has the positive intention and ability to hold to maturity. After initial measurement held-to-maturity investments are measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus/deficit when the investments are derecognized or impaired, as well as through the amortization process.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in surplus/deficit when the loans and receivables are derecognized or impaired, as well as through the amortization process.

*Available-for-sale financial investments*

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealized gains or losses recognized directly in equity until the investment is derecognized or determined to be impaired at which time the cumulative gain or loss previously recorded in equity is recognized in surplus/deficit.

*Fair value*

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the statement of financial position date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or other valuation models.

*Amortized cost*

Held-to-maturity investments and loans and receivables are measured at amortized cost. This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

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6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Impairment of financial assets**

The Council assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

*Assets carried at amortized cost*

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in surplus/deficit. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in surplus/deficit.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Council will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognized when they are assessed as uncollectible.

*Available-for-sale financial investments*

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in surplus/deficit, is transferred from equity to surplus/deficit. Reversals in respect of equity instruments classified as available-for-sale are not recognized in surplus/deficit. Reversals of impairment losses on debt instruments are reversed through surplus/deficit; if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in surplus/deficit.

**Derecognition of financial assets and liabilities**

*Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- The rights to receive cash flows from the asset have expired;
- The Council retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- The Council has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**DE recognition of financial assets and liabilities (Continued)**

Where the Council has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Council's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Council could be required to repay.

*Financial liabilities*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a DE recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of financial performance.

**Taxes**

The Municipal/District Councils are exempt from tax on the surplus/deficit for the year.

*Value added tax*

Revenues, expenses and assets are recognized net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation Council, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation Council is included as part of receivables or payables in the statement of financial position.

**Events after reporting date**

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- Those that is indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

## 7. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Council's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

### **Judgments**

In the process of applying the Council's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements:

#### *Determination of the useful lives of property, plant and equipment*

Management uses reasonable judgment in determining the useful lives and hence depreciation rates of the items of property, plant and equipment.

### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Impairment of non-financial assets*

The Council assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

THE UNITED REPUBLIC OF TANZANIA  
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TANDAHIMBA DISTRICT COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	TZS	TZS
<b>9 LOCAL TAXES</b>		
Produce cess	2,990,773,002	191,004,152
Service levy	22,666,408	14,938,195
Hotel/Guest house levy	2,326,000	3,538,000
Other levies on business activity		1,084,750
	<b>3,015,765,410</b>	<b>210,565,098</b>
Receivables	-	-
<b>Total For Cash flow Purposes</b>	<b>3,015,765,410</b>	<b>210,565,098</b>
<b>10 FEES, FINES, PENALTIES AND LICENSES</b>		
Market fees and charges	-	12,343,310
Specific service fees	584,075,945	588,415,408
Licenses and permits on business activities	65,283,636	194,586,531
Other fees, fines, penalties and licences	17,263,802	19,795,862
	<b>666,623,383</b>	<b>815,141,110</b>
Receivables	-	1,515,862
<b>Total For Cash flow Purposes</b>	<b>666,623,383</b>	<b>813,625,248</b>
<b>11 RECURRENT GRANTS</b>		
Balance at the beginning of the year	1,610,022,312	1,680,041,549
<b><u>Received during the year</u></b>		
Government Grants		
Personnel emoluments	17,948,688,235	17,675,253,000
Other charges	1,526,285,275	910,641,201
Health basket	444,233,225	482,527,999
School Fees Compensation Grants	151,066,680	1,165,354,427
CDF	51,635,000	49,635,000
P4R	1,003,400,000	638,404,079
TEA	124,000,000	220,000,000
Capitation Grants- Dev	436,723,107	-
School Meals Grants	126,522,369	-
Responsibility Grants	482,400,000	-
TASAF	319,189,380	1,160,417,620
SWASH - Deposit Account	272,830,000	-
SWASH - Schools accounts	182,778,504	40,800,000
Chanjo Surua Rubella	30,434,959	-
Water Sector Development Program (WSDP)	-	1,986,257,885
Receipt in kind	219,143,460	500,187,914
Recurrent Grants Received during the year	<b>23,319,330,194</b>	<b>24,829,479,126</b>
Transfer to capital	1,667,454,604	2,595,993,743
Recurrent Grants Received	<b>21,651,875,590</b>	<b>22,233,485,383</b>
<b>Total recurrent grant available</b>	<b>23,261,897,902</b>	<b>23,913,526,932</b>
Receipts in kind	219,143,460	500,187,914
<b>Grants Received (Cash)</b>	<b>23,100,186,734</b>	<b>24,329,291,212</b>
Amortisation for the year	22,908,732,032	22,303,504,620
Balance at the end of the year	<b>353,165,871</b>	<b>1,610,022,312</b>

**12 REVENUE FROM EXCHANGE TRANSACTIONS**

Hire/rent of council housing	840,000	180,000
Hire/rent of council plant, vehicles and other assets	14,688,284	27,714,072
Sale of seedlings	-	-
	<u>15,528,284</u>	<u>27,894,072</u>

**13 FINANCE INCOME**

Bank interest and other investment income	-	-
	-	-
	-	-
	<u>-</u>	<u>-</u>

**14 Other revenues**

Voluntary contributions and other	676,614,153	-
	<u>676,614,153</u>	<u>-</u>

**15 WAGES, SALARIES AND EMPLOYEE BENEFITS**

Basic salaries - pensionable posts	18,017,918,459	17,728,063,042
Basic salaries - non pensionable posts	13,478,728	7,870,300
Employment allowances	1,095,170,300	797,568,841
Councillors Allowance	268,756,702	453,513,792
	<u>19,395,324,188</u>	<u>18,987,015,975</u>

Accruals recognized		238,024,459
Additions during the year	345,075,500	
Cash paid	322,297,475	
<b>Total For Cash flow Purposes</b>	<b>19,372,546,163</b>	<b>18,748,991,515</b>

**16 SUPPLIES AND CONSUMABLES USED**

Communication and information, supplies and services	27,352,728	4,469,948
Educational material, supplies and services	1,005,380,947	1,656,657,865
Agricultural Implements	51,095,000	-
Hospitality	240,283,323	39,905,400
Medical supplies and services	1,318,688,809	460,599,238
Office supplies and services	150,184,039	101,223,719
Electricity charges by TANESCO/other PSEs eg. REA	16,470,000	-
Water expenses to govt entities eg. DAWASCO/DAWASA/MUWASA etc	2,400,000	-
Fund Transfers to Health facilities	-	1,012,451,859
Training expenses	26,187,250	17,107,000
Consultancy Fees	7,650,000	-
Insurance Expenses	5,600,000	-
Burial Expenses	5,860,000	-
Travel and subsistence	472,740,787	240,525,598
Utilities	6,840,000	17,138,418
Security expenses to private entities	16,000,000	38,062,732
Other goods and services	-	-
	<u>3,352,732,884</u>	<u>3,588,141,778</u>

Receipts in kind	166,143,460	299,552,954
Accruals Paid	14,313,618	119,182,014
Change in Inventory	8,926,222	241,887,900
Change in Prepayments	33,038,009	-
<b>Total For Cash flow Purposes</b>	<b>3,242,867,273</b>	<b>2,927,518,910</b>

<b>17 MAINTENANCE EXPENSES</b>		
Physical infrastructure	1,380,722,737	232,736,886
Technical equipment		
Vehicles and mobile equipment	91,773,971	81,676,449
Stationary plant, machinery and fixed equipment	29,543,700	8,549,926
Fuel and oils	134,709,560	99,002,777
	<u>1,636,749,968</u>	<u>421,966,038</u>
<b>Total For Cash flow Purposes</b>	<b>1,636,749,968</b>	<b>421,966,038</b>
 <b>18 GRANTS AND OTHER TRANSFER PAYMENTS</b>		
Administration transfers	335,939,760	1,731,717,417
Agriculture and Livestock	-	
	<u>335,939,760</u>	<u>1,731,717,417</u>
Accruals		
<b>Total For Cash flow Purposes</b>	<b>335,939,760</b>	<b>1,731,717,417</b>



**21 CASH AND CASH EQUIVALENTS****Own source**

Own source collection cash account	27,865,723	11,401,711
Tandahimba ward Accounts	164,964,913	18,066,423
Tandahimba Villages Accounts	199,614,555	42,819,197
LGAS General Fund	186,103	2,755,613
LGAS Development cash account	10,242	28,497,995
<b>Sub Total Own source</b>	<b>392,641,536</b>	<b>103,540,941</b>

**Grants and Donors**

LGAS General Fund	35,990,500	-
Miscellaneous deposit account	272,830,000	735,423,752
Tandahimba Secondary Schools Accounts	274,662,277	5,501,365
Tandahimba Primary Schools Accounts	910,721,767	117,000,241
Tandahimba Health Centre and Dispensary Accounts	82,361,326	294,694,973
<b>Sub Total Grants and Donors</b>	<b>1,576,565,871</b>	<b>1,152,620,331</b>

**Deposits**

Miscellaneous deposit account	95,538,999	-
LGAS Miscellaneous deposit account	-	8,045,053
Women Youth Disability Bank Account	5,236,000	-
<b>Sub Total Deposits</b>	<b>100,774,999</b>	<b>8,045,053</b>

**Grand Total Cash and Cash Equivalents**

<b>2,069,982,405</b>	<b>1,264,206,325</b>
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Total amount of TZ 2,069,982,405 is available for use by the Council.

**22 RECEIVABLES**

AMCOS - Unpaid produce cess	1,903,582,485	1,903,582,485
Women, Youth and Disability	453,101,431	372,707,293
Land rent	1,515,862	-
Makonde water supply	450,000	450,000
<b>Total</b>	<b>2,358,649,778</b>	<b>2,276,739,778</b>
Ageing Analysis		
Below 360 Days	124,810,779	19,350,000
Above 360 Days	2,233,838,999	2,257,389,778
<b>Total</b>	<b>2,358,649,778</b>	<b>2,276,739,778</b>

**22B Women, Youth and Disabled groups**

Recovery during the year	18,090,000	41,245,000
Loans to groups during the year	100,000,000	19,350,000

<b>23 INVENTORIES</b>		
Drugs and equipment	263,779,351	248,243,629
Building materials and equipment	3,165,000	
Stationeries	4,799,000	14,573,500
	<u>271,743,351</u>	<u>262,817,129</u>
<b>24 OTHER FINANCIAL ASSETS</b>		
<b>Non Current</b>		
Investment in Local Government Loans Board (LGLB)	82,500,300	82,500,300
Investment in ALAT	45,041,000	45,041,000
	<u>127,541,300</u>	<u>127,541,300</u>
<b>26 INVESTMENT IN ASSOCIATES AT COST</b>		
TANDAHIMBA Council has the following interests in Associates and their reporting date is at 30 June.		
TACOPA	631,532,000	593,686,046
Additional Investment (adjustments from SCNA)	-	37,845,954
Total	<u>631,532,000</u>	<u>631,532,000</u>
<b>27 PAYABLES</b>		
Trade payables	-	-
Accrued expenses	115,525,514	129,839,132
	<u>115,525,514</u>	<u>129,839,132</u>
<b>Ageing Analysis</b>		
Below 360 Days	115,525,514	129,839,132
Within 90 Days	-	-
Total	115,525,514	129,839,132
Payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.		
<b>28 DEFERRED INCOME</b>		
<b>Capital grant</b>		
This relates to items of property, plant and equipment received from various donors and the Government.		
<b>Derecognition of Deferred Capital Grants</b>		
At the beginning of the year	-	13,199,853,099
Adjustments for capital that were wrongly posted for previous years	-	(13,199,853,099)
At the end of the year	<u>-</u>	<u>-</u>
<b>Accumulated amortisation</b>		
At the beginning of the year	-	5,005,700,394
Adjustments for amortisation posted wrongly previous years	-	(5,005,700,394)
At the end of the year	<u>-</u>	<u>-</u>
<b>Deferred Capital Grants</b>		
At the beginning of the year	752,446,782	54,742,535
Received during the year	1,667,454,604	2,595,993,743
Capital grants available	2,419,901,386	2,650,736,278
Capital grants applied/amortized during the year	494,054,604	1,898,289,496
Transfer to RUWASA	702,446,782	-
At the end of the year	<u>1,223,400,000</u>	<u>752,446,782</u>

29 RELATED PARTY TRANSACTIONS

**Key management personnel**

Key management constitute Council Chairman, Councillors, and the Council Management Team (CMT). CMT comprise of the Executive Director, Heads of Department, Internal Auditor, Council Lawyer and Head of Procurement Management Unit.

**Key management personnel compensation**

Salaries & other short-term benefits	Number of individuals		
Mayor			
Councillors	41	417,723,202	200,880,000
Council Management Team	13	745,200,000	745,200,000
<b>Loans and Advances</b>		-	-
		-	-
		-	-
<b>Bad debts written off:</b>		-	-
		-	-
		-	-
<b>Post-employment benefits</b>			
Councillors	41	-	-

29B RECONCILIATION OF NET CASH FLOW FROM OPERATING PREPARED BY USING DIRECT METHOD FOR THE YEAR ENDED 30 JUNE 2020

	2020 TZS	2019 TZS
<b>Cash flows from operating activities</b>		
Surplus for the year	1,949,195,518	(1,186,981,703)
<b>Adjustments for:</b>		
Depreciation and amortisation	1,107,375,547	1,713,534,890
Receipts in kind	166,143,460	299,552,954
<b>Changes in working capital items:</b>		
Increase/Decrease in receivables	(81,910,000)	(43,764,142)
Increase/Decrease in Prepayments	33,038,009	-
Increase/Decrease in inventories	(8,926,222)	(141,053,696)
Increase/Decrease in payables	(14,313,618)	304,103,435
Increase/Decrease in Employees benefits	22,778,025	-
Increase/Decrease in Deposits	63,373,537	33,393,388
Increase/Decrease in deferred revenue grant	(773,553,119)	(70,019,237)
Increase/Decrease in deferred capital grant	470,953,218	697,704,247
Transfers	(702,446,782)	-
<b>Cash generated from operations</b>	<b>2,231,707,574</b>	<b>1,606,470,136</b>
<b>Net cash from operating activities</b>	<b>2,231,707,574</b>	<b>1,606,470,136</b>

<b>32</b>	<b>Depositors Fund</b>		
	Other deposits	273,654,143	78,779,500
	Uchaguzi	93,646,467	
	Withholding Tax - Deposit Account	1,068,388	
	Withholding Tax - Other Accounts	8,293,533	
	Women Youth & Disabilities Revolving Fund	5,236,000	
	Ardhi	33,084,505	
	Transfers to grants received	(272,830,000)	
		<b>142,153,037</b>	<b>78,779,500</b>
<b>34</b>	<b>Prepayments</b>		
	Medical stores department (MSD)	2,568,736	35,606,746
	Staff imprest	7,100,985	7,100,985
		<b>9,669,721</b>	<b>42,707,731</b>
<b>35</b>	<b>EMPLOYMENT BENEFITS</b>		
	Teachers & health workers' claims (Central gov't funding)	377,122,100	63,724,600
	Councillors Allowances	11,129,584	301,749,059
		<b>388,251,684</b>	<b>365,473,659</b>
	<b>Ageing Analysis</b>		
	Above 360 Days	43,176,184	63,724,600
	Below 360 Days	345,075,500	301,749,059
	Within 90 Days	-	
		<b>388,251,684</b>	<b>365,473,659</b>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2020

20 STATEMENT OF REVENUE AND EXPENSES - BY DEPARTMENTS

	Administration	Human resource management development and	Agriculture	Education	Primary health services	Water	Works	Lands	Community development, gender and children	Total
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
<b>2019/2020</b>										
Revenue										
Local taxes	24,992,408	-	2,990,773,002	30,000	584,075,945	93,186,500	1,362,500	1,024,150	3,015,765,410	
Fees, fines, penalties and licenses	63,810,404	14,688,284	1,632,100	15,770,785,958	3,104,202,148	-	1,269,120,299	2,300,000	666,623,383	
Recurrent grants	1,737,807,032	85,245,000	691,885,095	-	-	-	-	-	22,908,732,032	
Transfer from other Government entities	-	15,528,284	-	-	-	-	-	-	-	
Revenue from exchange transactions	-	-	-	-	-	-	-	-	-	
Finance income	38,120,000	-	676,614,153	350,578,504	105,356,100	-	-	-	15,528,284	
Amortisation of capital grant	-	-	-	-	-	-	-	-	494,054,604	
Other own revenue	1,864,729,844	115,461,568	4,360,904,350	16,121,394,462	3,793,634,193	93,186,500	1,270,482,799	3,324,150	676,614,153	
Wages, salaries and employee benefits	1,714,807,032	-	691,885,095	13,397,683,994	2,227,752,148	93,186,500	1,269,120,299	319,220	569,900	19,395,324,188
Supplies and consumables used	564,778,800	345,007,650	89,000,500	1,248,921,858	965,929,076	-	13,450,000	24,678,000	100,967,000	3,352,732,884
Maintenance expenses	1,436,775,034	70,650,988	9,765,000	56,700,000	45,300,500	-	6,754,000	9,876,650	928,296	1,636,749,988
Grants and other transfer payments	39,225,880	13,515,000	-	-	-	-	-	-	283,198,880	335,939,760
Depreciation of property, plant and equipment	1,107,375,547	429,173,638	790,650,595	14,703,305,853	3,238,981,223	93,186,500	1,289,324,299	34,873,870	385,664,076	1,107,375,547
	4,862,962,293	17,679,009,572	19,272,900	1,541,764,958	794,823,113	167,862,735	13,563,000	5,000,000	1,160,417,620	22,303,504,620
<b>2018/2019</b>										
Revenue										
Local taxes	-	-	19,272,900	1,541,764,958	794,823,113	167,862,735	13,563,000	5,000,000	1,160,417,620	24,201,794,116
Fees, fines, penalties and licenses	921,790,722	17,679,009,572	-	626,686,352	1,120,669,484	7,090,000	6,500,000	720,000	3,000,000	18,533,502,183
Recurrent grants	-	3,837,707	1,710,000	1,688,875,982	1,531,566,369	41,412,998	7,063,000	3,820,000	6,399,877	3,588,141,778
Revenue from other Government entities	-	-	14,414,400	21,269,436	222,103,604	131,806,207	-	460,000	-	421,966,038
Finance income	-	-	3,148,500	596,344,937	-	-	-	-	-	1,188,245,773
Amortisation of capital grant	-	-	-	-	-	-	-	-	-	-
Other own revenue	1,898,289,496	-	-	-	-	-	-	-	-	1,898,289,496
Wages, salaries and employee benefits	2,820,080,217	17,679,009,572	19,272,900	1,541,764,958	794,823,113	167,862,735	13,563,000	5,000,000	1,160,417,620	24,201,794,116
Supplies and consumables used	93,348,185	17,682,416,162	1,710,000	626,686,352	1,120,669,484	7,090,000	6,500,000	720,000	3,000,000	18,533,502,183
Maintenance expenses	290,651,444	3,837,707	14,414,400	1,688,875,982	1,531,566,369	41,412,998	7,063,000	3,820,000	6,399,877	3,588,141,778
Grants and other transfer payments	43,178,291	-	3,148,500	21,269,436	222,103,604	131,806,207	-	460,000	-	421,966,038
Finance costs	400,640,499	-	-	596,344,937	-	-	-	-	-	1,188,245,773
Depreciation of property, plant and equipment	1,713,534,890	-	-	-	-	-	-	-	-	1,713,534,890
	2,541,353,309	17,686,353,869	19,272,900	2,933,178,707	1,865,739,457	180,269,205	13,563,000	5,000,000	1,197,645,650	26,442,376,099

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33 STATEMENT OF REVENUE AND EXPENSES - BY DEPARTMENTS (Continued)

	Administration TZS	Agriculture TZS	Education TZS	Primary health services TZS	Water TZS	Works TZS	Community development, gender and children TZS	Total
<b>2018/2019</b>								
Recurrent grant (From the Government)	17,675,253,000							17,675,253,000
Personnel Emoluments	123,856,828	7,530,000	1,837,433,699	87,551,102	7,760,000	11,864,000		2,075,995,629
Other charges	<u>17,799,109,828</u>	<u>7,530,000</u>	<u>1,837,433,699</u>	<u>87,551,102</u>	<u>7,760,000</u>	<u>11,864,000</u>	-	<u>19,751,248,629</u>
Personnel Emoluments	17,679,009,572	7,530,000	1,837,433,699	87,551,102	7,760,000	11,864,000		17,679,009,572
Other charges	<u>123,856,828</u>	<u>7,530,000</u>	<u>1,837,433,699</u>	<u>87,551,102</u>	<u>7,760,000</u>	<u>11,864,000</u>	-	<u>2,075,995,629</u>
	<u>17,802,866,400</u>							<u>19,755,005,201</u>
<b>2017/2018</b>								
Recurrent grant (From the Government)	1,315,165,432	757,183,800	13,143,462,442	2,212,539,171	110,637,000	185,492,000		17,724,479,845
Personnel Emoluments	181,352,000	8,110,000	535,817,760	75,880,000	6,114,000	9,112,000		816,385,760
Other charges	<u>1,496,517,432</u>	<u>765,293,800</u>	<u>13,679,280,202</u>	<u>2,288,419,171</u>	<u>116,751,000</u>	<u>194,604,000</u>	-	<u>18,540,865,605</u>
Personnel Emoluments	1,400,333,288	757,183,800	13,143,462,442	2,212,539,171	110,637,000	185,492,000		17,809,647,701
Other charges	<u>174,502,077</u>	<u>8,110,000</u>	<u>535,817,760</u>	<u>75,880,000</u>	<u>6,114,000</u>	<u>9,112,000</u>	-	<u>809,535,837</u>
	<u>1,574,835,365</u>	<u>765,293,800</u>	<u>13,679,280,202</u>	<u>2,288,419,171</u>	<u>116,751,000</u>	<u>194,604,000</u>	-	<u>18,619,183,538</u>

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FOR THE YEAR ENDED 30 JUNE 2020  
25 PROPERTY, PLANT AND EQUIPMENT

	Accumulated depreciation and Accumulated impairment												
	Cost / Revaluation												
	Cost/Carrying value 01 July 2019	Additions	Transfers	Revaluation	Disposal	Revaluation	Transfer	Balance 30 June	Depreciation charge	Impairment charge	Transfer	Balance 30 June	Carrying value 30 June
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
<b>Administration assets</b>													
Land	6,642,884,000	10,000,000	-	-	-	-	-	6,652,884,000	-	-	-	5,697,830,877	6,652,884,000
Buildings	25,985,455,958	852,241,494	-	-	-	-	56,000,000	26,294,697,452	417,788,680	-	15,660,000	1,314,959,006	20,596,866,573
Motor Vehicles	1,341,225,070	53,000,000	-	-	-	-	68,000,000	1,326,225,070	258,575,014	-	53,428,571	1,346,064	11,266,064
Motor Cycles	19,374,500	4,800,000	-	-	-	-	24,174,500	19,374,500	3,453,500	-	-	22,828,000	1,346,500
Plant and machinery	83,804,600	-	-	-	-	-	83,804,600	83,804,600	3,805,819	-	-	50,797,659	33,006,941
Office and residential furniture & equipment	2,476,148,581	210,000,000	-	-	-	-	2,686,148,581	2,686,148,581	268,614,858	-	1,820,177,648	865,970,933	865,970,933
Other Equipment	640,963,544	770,000	-	-	-	-	640,963,544	640,963,544	129,013,440	-	361,889,323	279,074,721	279,074,721
Computer equipment	90,173,340	770,000	-	-	-	-	90,943,340	68,874,236	22,069,104	-	90,943,340	-	-
Work in progress	869,061,749	348,120,000	-	-	-	-	1,217,181,749	-	-	-	-	1,217,181,749	-
	37,662,091,343	1,478,931,494	-	-	-	-	124,000,000	39,017,022,837	1,103,320,415	-	69,108,571	9,359,425,853	29,657,596,984
<b>Infrastructural assets</b>													
Water system	2,506,702,766	-	-	-	-	-	2,506,702,766	-	-	-	1,010,166,948	-	-
Bore holes	121,593,150	-	-	-	-	-	121,593,150	-	-	-	101,347,890	-	-
Work in progress	2,852,554,689	-	-	-	-	-	2,852,554,689	-	-	-	-	-	-
	5,480,850,605	-	-	-	-	-	5,480,850,605	-	-	-	1,111,514,838	-	-
Total	43,142,941,948	1,478,931,494	-	-	-	-	5,604,850,605	39,017,022,837	1,107,375,547	-	1,180,623,410	9,359,425,853	29,657,596,984
Accrual/Receipt in kind	53,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Total to Cash flow	43,142,941,948	1,425,931,494	-	-	-	-	5,604,850,605	39,017,022,837	1,107,375,547	-	1,180,623,410	9,359,425,853	29,657,596,984
<b>2019</b>													
<b>Administration assets</b>													
Land	6,642,884,000	-	-	-	-	-	-	6,642,884,000	-	-	-	5,295,722,197	6,642,884,000
Buildings	20,921,191,810	649,500,000	-	-	-	-	3,927,764,148	25,498,455,958	1,019,938,238	-	1,109,812,563	20,202,733,761	
Motor Vehicles	1,341,225,070	-	-	-	-	-	-	1,341,225,070	188,105,014	-	19,374,500	231,412,507	
Motor Cycles	19,374,500	-	-	-	-	-	-	19,374,500	2,767,786	-	46,991,840	-	
Plant and machinery	83,804,600	-	-	-	-	-	-	83,804,600	8,380,460	-	-	36,817,760	
Office and residential furniture & equipment	2,476,148,581	11,700,000	-	-	-	-	2,476,148,581	2,476,148,581	247,614,858	-	1,551,562,790	924,585,791	
Other Equipment	559,278,584,00	81,684,960	-	-	-	-	640,963,544	640,963,544	64,096,354	-	232,875,883	21,299,104	
Computer equipment	88,273,340,00	1,900,000	-	-	-	-	90,173,340	90,173,340	18,034,668	-	68,874,236	869,061,749	
Work in progress	4,769,825,897	27,000,000	-	-	-	-	4,796,825,897	869,061,749	-	-	-	-	
	36,890,306,383	771,784,960	-	-	-	-	(3,927,764,148)	37,662,091,343	1,548,937,379	-	8,325,214,009	29,336,877,334	
<b>Council Infrastructural assets</b>													
Sewerage system	2,451,960,231	54,742,535	-	-	-	-	2,506,702,766	2,506,702,766	160,542,380	-	1,010,166,948	1,496,535,818	
Bore holes	121,593,150	-	-	-	-	-	121,593,150	121,593,150	4,055,132	-	97,292,759	24,300,391	
Work in progress	1,728,792,689	1,123,762,001	-	-	-	-	2,852,554,689	93,237,627	-	-	-	2,852,554,689	
	4,302,346,070	1,178,504,536	-	-	-	-	5,480,850,605	942,862,196	164,597,511	-	1,107,459,707	4,373,390,898	
Total	41,192,652,452	1,950,289,496	-	-	-	-	43,142,941,948	7,719,138,826	1,713,534,890	-	9,432,673,716	33,710,268,232	

THE UNITED REPUBLIC OF TANZANIA  
PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
TANDAHIMBA DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2020  
64 CAPITAL EXPENDITURE AND ITS FINANCING

No.	Source of fund	Category of asset	Name of project	Budget	Balance b/f	Actual revenue received	Total capital receipt	Transfer	Actual expenditure	Balance	% completion
	Own source	Buildings	Completion of classroom at Namikupa 1 pry school			6,000,000	6,000,000		6,000,000	-	100.00
	Own source	Buildings	Completion of classroom at Nanyanga pry school			8,000,000	8,000,000		8,000,000	-	100.00
	Own source	Buildings	Completion of classroom at Misufini pry school			7,000,000	7,000,000		7,000,000	-	100.00
	Own source	Buildings	Construction of classroom at Mhambwe sec			18,025,000	18,025,000		18,025,000	-	100.00
	Own source	Buildings	Construction of classroom at Mndumbwe pry sch			5,000,000	5,000,000		5,000,000	-	100.00
	Own source	Buildings	Construction of classroom at Dinyeke pry sch			7,000,000	7,000,000		7,000,000	-	100.00
	Own source	Buildings	Construction of classroom at Mikoreha sec			18,025,000	18,025,000		18,025,000	-	100.00
	Own source	Buildings	Construction of classroom at Mweminiaki sec			18,025,000	18,025,000		18,025,000	-	100.00
	Own source	Buildings	Construction of classroom at Luagala sec			18,025,000	18,025,000		18,025,000	-	100.00
	Own source	Buildings	Construction of classroom at Nandonde sec			18,025,000	18,025,000		18,025,000	-	100.00
	Own source	Buildings	Construction of pit latrine at Namedi Pry sch			2,400,000	2,400,000		2,400,000	-	100.00
	Own source	Buildings	Construction of pit latrine at Mkulung'ulu Pry sch			4,000,000	4,000,000		4,000,000	-	100.00
	Own source	Buildings	Construction of pit latrine at Dinduma Barabarami Pry sch			3,222,728	3,222,728		3,222,728	-	100.00
	Own source	Buildings	Construction of pit latrine at Chidede Pry sch			3,222,728	3,222,728		3,222,728	-	100.00
	Own source	Buildings	Construction of pit latrine at Mandavala Pry sch			3,222,728	3,222,728		3,222,728	-	100.00
	Own source	Buildings	Construction of pit latrine at Ulodaleo Pry sch			3,222,728	3,222,728		3,222,728	-	100.00
	Own source	Buildings	Construction of pit latrine at Milidu Pry sch			3,222,728	3,222,728		3,222,728	-	100.00
	Own source	Buildings	Construction of pit latrine at Chidede Pry sch			12,500,000	12,500,000		12,500,000	-	100.00
	Own source	Buildings	Construction of pit latrine at Liponde Pry sch			5,000,000	5,000,000		5,000,000	-	100.00
	Own source	Buildings	Construction of laboratory at Mwaminaki sec school			10,600,000	10,600,000		10,600,000	-	100.00
	Own source	Buildings	Construction of classroom at Mwangaza Sokomi pry sch			20,000,000	20,000,000		20,000,000	-	100.00
	Own source	Buildings	Construction of 3 classrooms at Mkula pry sch			22,000,000	22,000,000		22,000,000	-	100.00
	Own source	Buildings	Construction of classroom at Mkwiti sec. School			18,025,000	18,025,000		18,025,000	-	100.00
5	Own source	Building	Completion of Residential house at Mtegu Dispensary			3,137,500	3,137,500		3,137,500	-	100.00
	Own source	Buildings	Completion of office at Malopokele ward			6,000,000	6,000,000		6,000,000	-	100.00
	Own source	Buildings	Construction of 2 classroom at Amani pr. School			24,200,000	24,200,000		24,200,000	-	100.00
	Own source	Buildings	Construction of classroom at Mahuta B sec. School			15,000,000	15,000,000		15,000,000	-	100.00
	Own source	Buildings	Construction of Teacher's house at Mkwiti sec. School			20,000,000	20,000,000		20,000,000	-	100.00
	Own source	Buildings	Construction of Teacher's house at Ruvuma pr. School			5,000,000	5,000,000		5,000,000	-	100.00
	Own source	Buildings	Construction of classroom at Nannala pr. School			8,000,000	8,000,000		8,000,000	-	100.00
	Own source	Buildings	Construction of classroom at Kwanama sec. School			20,000,000	20,000,000		20,000,000	-	100.00
	Own source	Buildings	Construction of classroom at Lipalwe pr. School			54,625,750	54,625,750		54,625,750	-	100.00
	Own source	Buildings	Construction of classroom at Salama sec			18,025,000	18,025,000		18,025,000	-	100.00
	Own source	Buildings	Construction of pit latrine at Mmalala Pry sch			3,000,000	3,000,000		3,000,000	-	100.00
	Own source	Buildings	Construction of pit latrine at Mpunda Pry sch			2,500,000	2,500,000		2,500,000	-	100.00
		<b>SUB TOTAL</b>				<b>431,276,890</b>	<b>431,276,890</b>		<b>431,276,890</b>	-	<b>100.00</b>
	Own source	Buildings - WIP	Construction of residential house at Mambamba dispensary			5,000,000	5,000,000		5,000,000	-	100.00
	Own source	Buildings - WIP	Construction of health centre at Nanyanga village			20,000,000	20,000,000		20,000,000	-	100.00
	Own source	Buildings - WIP	Construction of Dispensary at Malamba village			16,000,000	16,000,000		16,000,000	-	100.00
	Own source	Buildings - WIP	Construction of laboratory at Milongodi sec school			19,600,000	19,600,000		19,600,000	-	100.00
	Own source	Buildings - WIP	Construction of laboratory at Mchichira sec school			20,000,000	20,000,000		20,000,000	-	100.00
	Own source	Buildings - WIP	Construction of Dispensary at Mluta village			42,000,000	42,000,000		42,000,000	-	100.00
	Own source	Buildings - WIP	Completion of Dispensary at Mambamba village			20,000,000	20,000,000		20,000,000	-	100.00



	Own source	Buildings - WIP	Construction of Dispensary at Mnazimmoja village			20,000,000	20,000,000	20,000,000				100.00
	Own source	Buildings - WIP	Completion of Dispensary at Chikongo village			20,000,000	20,000,000	20,000,000				100.00
	Own source	Buildings - WIP	Completion of AFO S house at Ngunja			10,000,000	10,000,000	10,000,000				100.00
	Own source	Buildings - WIP	Construction of Dispensary at Malamba village			10,714,000	10,714,000	10,714,000				100.00
	Own source	Buildings - WIP	Construction of laboratory at Nandonde sec school			10,600,000	10,600,000	10,600,000				100.00
	Own source	Buildings - WIP	Construction of Dispensary at Dinduma village			41,430,000	41,430,000	41,430,000				100.00
	Own source	Buildings - WIP	Construction of Dispensary at Akuti village			20,000,000	20,000,000	20,000,000				100.00
	Own source	Buildings - WIP	Construction of Dispensary at Mlilidu village			10,714,000	10,714,000	10,714,000				100.00
	Own source	Buildings - WIP	Construction of Dispensary at Nachunyu village			10,714,000	10,714,000	10,714,000				100.00
	Own source	Buildings - WIP	Completion of teacher's house at Namkomolele Pry sch			6,000,000	6,000,000	6,000,000				100.00
	Own source	Buildings - WIP	Construction of Dispensary at Lembela village			10,714,000	10,714,000	10,714,000				100.00
	Own source	Buildings - WIP	Construction of Dispensary at Mitumbati village			10,714,000	10,714,000	10,714,000				100.00
	Own source	Buildings - WIP	Construction of laboratory at Mkoheha sec school			9,400,000	9,400,000	9,400,000				100.00
	Own source	<b>SUB TOTAL</b>			-	<b>333,600,000</b>	<b>333,600,000</b>	<b>333,600,000</b>				<b>100.00</b>
	Own source	Furniture	Purchases of 3000 tables and 3000 chairs for sec schools			210,000,000	210,000,000	210,000,000				<b>100.00</b>
	Own source	<b>SUB TOTAL</b>			-	<b>210,000,000</b>	<b>210,000,000</b>	<b>210,000,000</b>				<b>100.00</b>
	Own source	Land	Acquisition of land for construction of animals market at malopaketo ward			10,000,000	10,000,000	10,000,000				100.00
	<b>Total Own source</b>	<b>SUB TOTAL</b>			-	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>				<b>100.00</b>
	Grants and Donors					<b>984,876,890</b>	<b>984,876,890</b>	<b>984,876,890</b>				100.00
3	CDCF	Buildings	Construction of classroom at Kwanyama Pr. School			2,800,000	2,800,000	2,800,000				100.00
4	Basket Fund	Building	completion of Mambamba Dispensary	40,000,000		31,629,400	31,629,400	31,629,400				100.00
5	Basket Fund	Building	construction of Residential house at Mtegu Dispensary	16,000,000		15,770,000	15,770,000	15,770,000				100.00
6	Basket Fund	Building	construction of Insinilator at Mtegu Dispensary	5,000,000		4,186,700	4,186,700	4,186,700				100.00
7	CDCF	Buildings	Construction of classroom at Muta Pr. School			1,400,000	1,400,000	1,400,000				100.00
8	CDCF	Buildings	Construction of Dispensary at Dinduma village			2,800,000	2,800,000	2,800,000				100.00
9	CDCF	Buildings	Construction of Dispensary at Mambamba village			5,600,000	5,600,000	5,600,000				100.00
10	CDCF	Buildings	Construction of Teacher's house at Mbalata pr. School			1,400,000	1,400,000	1,400,000				100.00
11	CDCF	Buildings	Completion of classroom at Mchichira sec. School			1,400,000	1,400,000	1,400,000				100.00
12	TEA	Buildings	Construction of 24 pit latrine at Litemlia primary school	50,000,000		-	50,000,000	50,000,000				100.00
	TEA	Buildings	Construction of 48 pit latrines at Namindondi and Mitumbati primary schools			70,000,000	70,000,000	70,000,000				100.00
13	CDCF	Buildings	Completion of classroom at Mahuta sec. School			2,800,000	2,800,000	2,800,000				100.00
14	CDCF	Buildings	Construction of pit latrine at Namedi pr. Sch			1,500,000	1,500,000	1,500,000				100.00
15	CDCF	Buildings	Construction of pit latrine at Mivanga pr. Sch			1,900,000	1,900,000	1,900,000				100.00
16	CDCF	Buildings	Construction of pit latrine at Mpunda pr. Sch			2,000,000	2,000,000	2,000,000				100.00
	LGDG	Buildings	Completion of 2 Teachers' houses at Mpunda and Chang'ombe Primary school			50,000,000	50,000,000	50,000,000				100.00
	SWASH	Buildings	Construction of 120 pit latrines at 7 primary schools (Matogoro, Kitama I, Nanyhyanga A, Maheha, Akupete, Nanyuwila and Mahuta bondeni)			175,778,504	175,778,504	175,778,504				100.00
	SWASH	Buildings	Construction of pit latrines at hospital, dispensaries and health centres			220,000,000	220,000,000	220,000,000				100.00
	WSDP	Water wells	Construction of Mkwati water system.		702,446,782	702,446,782	702,446,782	702,446,782				100.00
	CDCF	Buildings - WIP	Construction of health centre at Nambahu village			1,820,000	1,820,000	1,820,000				65.68
	CDCF	Buildings - WIP	Construction of Dispensary at Minazi mmoja village			2,800,000	2,800,000	2,800,000				100.00
	CDCF	Buildings - WIP	Construction of Dispensary at Malamba village			1,400,000	1,400,000	1,400,000				100.00
	CDCF	Buildings - WIP	Construction of Dispensary at Luagala village			2,800,000	2,800,000	2,800,000				100.00
	CDCF	Buildings - WIP	Construction of Teacher's house at Namkomolela pr. School			2,100,000	2,100,000	2,100,000				100.00
	<b>Total</b>					<b>984,876,890</b>	<b>984,876,890</b>	<b>984,876,890</b>				<b>100.00</b>

CDCF	Buildings - WIP	Construction of health centre at Mdimba village		2,100,000	2,100,000	2,100,000	2,100,000	100.00
CDCF	Buildings - WIP	Construction of Dispensary at Dinduma village school		1,500,000	1,500,000	1,500,000	1,500,000	100.00
P4R	<b>Buildings - WIP</b>	Construction of 2 classrooms at Nandonde Secondary school		40,000,000	40,000,000	40,000,000	40,000,000	
P4R	Buildings - WIP	Construction of 6 pit latrines at Nandonde Secondary school		6,600,000	6,600,000	6,600,000	6,600,000	
P4R	Buildings - WIP	Construction of 2 classrooms at Mwemniki Secondary school		40,000,000	40,000,000	40,000,000	40,000,000	
P4R	Buildings - WIP	Construction of 2 classrooms at Kitama Secondary school		40,000,000	40,000,000	40,000,000	40,000,000	
P4R	Buildings - WIP	Construction of Hostel building at Kitama Secondary school		80,000,000	80,000,000	80,000,000	80,000,000	
P4R	Buildings - WIP	Construction of 6 pit latrines at Kitama Secondary school		6,600,000	6,600,000	6,600,000	6,600,000	
P4R	Buildings - WIP	Construction of 3 classrooms and 5 pit latrines at Amani Primary school		65,500,000	65,500,000	65,500,000	65,500,000	
P4R	Buildings - WIP	Construction of 3 classrooms and 8 pit latrines at Chikongola Primary school		68,800,000	68,800,000	68,800,000	68,800,000	
P4R	Buildings - WIP	Construction of 3 classrooms at Kitama Primary school		60,000,000	60,000,000	60,000,000	60,000,000	
P4R	Buildings - WIP	Construction of 3 classrooms and 8 pit latrines at Kuchehe Primary school		68,800,000	68,800,000	68,800,000	68,800,000	
P4R	Buildings - WIP	Construction of 2 classrooms and 7 pit latrines at Lienje Primary school		47,700,000	47,700,000	47,700,000	47,700,000	
P4R	Buildings - WIP	Construction of 3 classrooms and 8 pit latrines at Lipalwe chini Primary school		68,800,000	68,800,000	68,800,000	68,800,000	
P4R	Buildings - WIP	Construction of 2 classrooms and 8 pit latrines at Matogolo chini Primary school		48,800,000	48,800,000	48,800,000	48,800,000	
P4R	Buildings - WIP	Construction of 3 classrooms at Mihambwe Primary school		60,000,000	60,000,000	60,000,000	60,000,000	
P4R	Buildings - WIP	Construction of 2 classrooms and 7 pit latrines at Mikunda Primary school		47,700,000	47,700,000	47,700,000	47,700,000	
P4R	Buildings - WIP	Construction of 3 classrooms and 8 pit latrines at Mji mpya Primary school		68,800,000	68,800,000	68,800,000	68,800,000	
P4R	Buildings - WIP	Construction of 2 classrooms and 8 pit latrines at Mpunda Primary school		68,800,000	68,800,000	68,800,000	68,800,000	
P4R	Buildings - WIP	Construction of 2 classrooms and 7 pit latrines at Mwenje Primary school		47,700,000	47,700,000	47,700,000	47,700,000	
P4R	Buildings - WIP	Construction of 3 classrooms and 8 pit latrines at Nanjanga Primary school		68,800,000	68,800,000	68,800,000	68,800,000	
17				<b>1,017,920,000</b>	<b>1,017,920,000</b>	<b>1,017,920,000</b>	<b>1,003,400,000</b>	<b>1.43</b>
	Computer equipment and printer	Acquisition of Printer	800,000	770,000	770,000	770,000	770,000	100.00
			800,000	770,000	770,000	770,000	770,000	100.00
P4R	Motorcycle	Purchases of Motorcycle		2,600,000	2,600,000	2,600,000	2,600,000	100.00
OC	Motorcycle	Purchases of Motorcycle		2,200,000	2,200,000	2,200,000	2,200,000	100.00
18				<b>4,800,000</b>	<b>4,800,000</b>	<b>4,800,000</b>	<b>4,800,000</b>	<b>100.00</b>
	Sub total Grants and donors		800,000	1,614,454,604	1,664,454,604	1,664,454,604	1,223,400,000	26.50
	Receipts in kind	Receiving of motor vehicle Toyota single cabin DFPA 7314		53,000,000	53,000,000	53,000,000	53,000,000	
GAVI	Motor vehicle	From Global alliance for vaccine and immunization (GAVI)		53,000,000	53,000,000	53,000,000	53,000,000	
	Sub total receipt in kind		800,000	752,446,782	1,667,454,604	1,717,454,604	1,223,400,000	26
	Sub total Grants		800,000	752,446,782	2,652,331,494	2,702,331,494	1,223,400,000	54.73
	<b>Total</b>							

THE UNITED REPUBLIC OF TANZANIA  
 PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
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NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 FOR THE YEAR ENDED 30 JUNE 2020

25 PROPERTY, PLANT AND EQUIPMENT (Continued)

Included in total carrying amount for property, plant and equipment are assets which are still in use but have been fully depreciated.

	<u>Cost</u>	<u>Carrying amount</u>
	TZS	TZS
<b><u>Administration assets</u></b>		
Motor Vehicles	240,312,025	240,312,025
Motor Cycles	19,374,500	19,374,500
Buildings		
Plant, machinery and equipment	-	-
Office and residential furniture & equipment		
Computer	-	-
Work in progress		
	<u>259,686,525</u>	<u>259,686,525</u>
<b><u>Infrastructural assets</u></b>		
Land	-	-
Sewerage system	-	-
Water system	-	-
Drainage network	-	-
Road network	-	-
Educational network	-	-
Health network	-	-
Agriculture and livestock extension system	-	-
Work in progress	-	-
	<u>-</u>	<u>-</u>

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30 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

TANDAHIMBA has a series of policies to manage the risks associated with financial instrument minimise exposure from its treasury activities. TANDAHIMBA has an established Council subc Investment policies. These policies do not allow any transactions that are speculative in nature

**Market risk** Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes equity securities price risk on its investments, which are classified as financial assets held at fa This price risk arises due to market movements in listed securities. This price risk is managed investment portfolio in accordance with the limits set out in TANDAHIMBA's Investment policy.

**Credit risk**

Credit risk is the risk that a third party will default on its obligation to TANDAHIMBA, causing T has no significant concentrations of credit risk, as it has a small number of credit customers, m TANDAHIMBA has powers under the Local Government Finance Act 1982 (LGFA) to recover groups

TANDAHIMBA invests funds only in deposits with registered banks and any investment Trustees Investments Act, 1967 (sec. 38 LGFA 1982 as amended).

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**NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2020**

**30 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (Continued)**

The credit analysis of the Council is as shown below:

Period outstanding	2019/20	2018/19
	TZS	TZS
<b>Receivables Due to Government:</b>		
Up to 1 Month		
1 to 3 months		
3 to 12 months	2,069,982,404.6	-
Over 1 year	-	-
<b>Receivables:</b>		
Up to 1 Month		
1 to 3 months	-	-
3 to 12 months	10,242	28,497,995
Over 1 year	-	-
<b>Staff Receivables:</b>		
Up to 1 Month	199,614,555.16	-
1 to 3 months	-	-
3 to 12 months	-	-
Over 1 year	-	-

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**30 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES**

**(Continued) Liquidity risk**

Liquidity risk is the risk that TANDAHIMBA will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. TANDAHIMBA aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, TANDAHIMBA maintains a target level of investments that must mature within the next 12 months. TANDAHIMBA manages its borrowings in accordance with its funding and financial policies, which is managed by a Finance Committee of the sub committee of the Council.

The liquidity of the various financial instruments possessed by the Council are as follows:

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	Over 5 years	TOTAL
<b>2019/2020</b>						
Cash and cash equivalents	2,069,982,4					2,069,982,4
Receivables and prepayments			124,810,77	2,233,838,9	-	2,358,649,7
Other financial assets			-	-	127,541,3	127,541,3
Trade and other payables				115,525,51		115,525,5
<b>2018/2019</b>						
Cash and cash equivalent	1,264,206,3					1,264,206,3
Receivables and prepayments	-	35,606,7	-	19,350,0	2,257,389,7	2,312,346,5
Trade and other payables	313,498,19					313,498,1
Other financial assets					127,541,30	127,541,3

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 FOR THE YEAR ENDED 30 JUNE 2020

31 EXPLANATION OF MAJOR VARIANCES AGAINST THE BUDGET

The budget is approved on a cash basis by functional classification. The approved budget covers the fiscal period from July 1, 2019 to June 30, 2020 and includes all activities within the Council. The original budget was approved by the meeting of the Council on 02 th February, 2019. The original budget objectives and policies, and subsequent revisions are explained more fully in the Operational Review and Budget Outcomes reports issued in conjunction with the financial statements. Major variations between final budget and actual is as follows:

Type of budget item	Variation TZS	Explanation
Local Taxes	(496,365,409.84)	The council depends much on cashew nuts produce cess where most of the Council local taxes revenue comes from and this surplus was happen because of cashew nuts cess were rose from 45.3 per kg to 56.2 per kg
Fees, fines, penalties and licenses	467,964,617.23	Decrease in collections from user fees while CHF were overtaken by RAS
Other own source revenue	(457,852,153.00)	Increase in community contributions where by each village were received 20 TZS per kg of cashew nuts for the developments of their villages.
Recurrent grants	-	
Wages, salaries and employee benefits	15,563,355,423.02	The central government does not disbursed all monies according to the annual budget
Supplies and consumables used	1,017,364,512.41	

The budget and the accounting bases differ. The financial statements for the Council are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget.

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ENDED 30 JUNE 2020

63 SEGMENTAL INFORMATION - WARDS AND VILLAGES

No.	Name of the	Villages in the Ward											
		1	2	3	4	5	6	7	8	9	10	11	
1	CHAUME	Mweru Shuleni	Chaume	Luhaya	Liponde	Mkwedu II	Machedi	Mweru sokoni	Sokoine				
2	CHIKONGOLA	Mahuta Mjini	Chikongola	Nakayaka	Lubangala								
3	CHINGUNGWE	Kuchehe	Chingungwe	Salama	Mtenda	Mkupete	Kiule	Chikunda					
4	DINDUMA	Tandika	Dinduma	Nanyuwila	Mitene	Dinduma	Tandika						
5	KITAMA	Namunda	Mitondi 'A'	Mitondi 'B'	Kitama	Mwenge 'B'	Mwenge 'A'	Kitama					
6	KWANYAMA	Chihangi	Kwanyama	Huruma	sinyangi								
7	LITEHU	Litehu	Mmeda	Libobe	Mabeti								
8	LUAGALA	Kigamboni	Luagala	Chidele	Michinjji	Mkola Chini	Mkola Juu						
9	LUKOKODA	Lukokoda	Mnazi Mmoja	Ghana Juu	Ghana Chini								
1	LYENJE	Lyenje	Mwembe Mmoja	Mahoha									
1	MAHUTA	Mahuta		Lidumbe Mtoni	Milumba								
1	MAUNDO	Kunandundu	Maundo	Namahonga	Chiumo	Chang'ombe							
1	MCHICHIRA	Shangani	Pachani	Mkwajumi	Mchichira	Mnarani							
1	MDIMBA MNYOMA	Adenga	Mtegu	Mnyoma	Tukuru								
1	MICHENJELE	Shangani	Mmalata	Michenjele	Mpunda	Ngongo	Bandari						
1	MIHAMBWE	Ruvuma	Nakale	Mkaha	Kisagani	Lembela	Mihambwe						
1	MILONGODI	Namikomolela	Miledi	Milongodi	Mting'inda	Mmwindi							
1	MUTA	Namedi	Ng'ongolo	Muta									
1	MKONJOWANO	Chimbuko	Mkula	Mkonjowano	Uloda leo								
2	MKOREHA	Namunda	Mchangani	Misufini	Chikongo	Dinyeke							
2	MKUNDI	Mikunda sokoni	Dinambo	Mikunda	Lipalwe I	Chitoholi Juu	Chitoholi Shuleni chini	Lipalwe II					
2	MKWITI	Mkwiti Chini	Mkwiti juu	Likolombe	Kidoo								
2	MNDUMBWE	Mndumbwe	Mfyatula	Mtandavala	Majengo	Mambamba							
2	MNYAWA	Maheha	Munda mikulu	Mnyawa	Jangwani	Umoja	Mwangaza shuleni						
2	NAPUTA	Mpikula	Mwagaza sokoni	Namdwani	Naputa	Naputa sokpni							
2	NAHYANGA	Nahyanganga 'A'	Nahyanganga 'B'	Nahyanganga 'C'	Mnaida	Mnauke	Miule						
2	NAMBAHU	Muungano	Mnaida	Nachunyu	Mivanga	Nambahu							
2	NAMIKUPA	Pemba	Ilala	Ching'ati	Namikupa	Milidu							
2	NGUNJA	Ngunja	Namindondi Chini	Mkuti	Mangombya	Namala	Namindondi juu	Nanjanga					
3	TANDAHIMBA	Tandahimba	Matogoro	Madaba									
3	MALOPOKELO	Malopokele	Mbalala	Nangofi	Malamba								



	Motor vehicle		Computer		Land and buildings				Furniture and fittings				Plant and equipment							Other long term capital outlay							Total					
		per		per	Office	Markets and laboratories	Dispensaries and health centres	Primary school buildings	Ward offices	Residential	Office furniture and fittings	School furniture and fittings	Dispensaries and health centres	Valuation equipment	Surveying equipment	Health equipment	Hospital equipment	Duplicating machines	Fire fighting equipment	Office machinery	Roads and bridges	Surface water drainage	Power lines	Street lighting	Vertical signs	Playing fields		Parks and recreation	Forest and woodlands	Skills training	Programs	
1	41,000		41,000																												41,000	
2	41,000		41,000																												41,000	
3	41,000		41,000																												41,000	
4	41,000		41,000																												41,000	
5	41,000		41,000																												41,000	
6	41,000		41,000																												41,000	
7	41,000		41,000																												41,000	
8	41,000		41,000																												41,000	
9	41,000		41,000																												41,000	
10	41,000		41,000																												41,000	
11	41,000		41,000																												41,000	
12	41,000		41,000																												41,000	
13	41,000		41,000																												41,000	
14	41,000		41,000																												41,000	
15	41,000		41,000																												41,000	
16	41,000		41,000																												41,000	
17	41,000		41,000																												41,000	
18	41,000		41,000																												41,000	
19	41,000		41,000																												41,000	
20	41,000		41,000																												41,000	
21	41,000		41,000																												41,000	
22	41,000		41,000																												41,000	
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24	41,000		41,000																												41,000	
25	41,000		41,000																												41,000	
26	41,000		41,000																												41,000	
27	41,000		41,000																												41,000	
28	41,000		41,000																												41,000	
29	41,000		41,000																												41,000	
30	41,000		41,000																												41,000	
																																717,000
																																337,400
																																754,400

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**45. EMPLOYEES**

The number of employees at the end of the year was 2105 (2019/2020). The difference is caused by new employees and transfers.

**46. COMPARATIVE FIGURES**

Previous year's balances have been regrouped whenever appropriate for comparison purposes.

**47. EVENTS AFTER THE REPORTING DATE**

There was no any event occurred after reporting date which affected the financial statements and the councilor's report.

**48. CAPITAL MANAGEMENT**

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated surplus/deficit and other reserves.

Equity is represented by net assets.

The objective of managing these items is to achieve sustainable equity, which is a principle promoted in the Act and applied by the Council. Sustainability of equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTCCP.

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**Accounting Ratios**

The council accounting ratios are computed as follows;

(i) Own source revenue to total income.

2020	2019
$\frac{4,374,531,230}{27,476,477,964} \times 100 = 15.92\%$	$\frac{1,052,084,418}{24,734,695,352} \times 100 = 04.25\%$

**Interpretations**

The council source of revenue is much dependence to the government and donors by 84.08 %.

(ii) Current assets to current Liabilities.

2020	2019
Current ratio = $\frac{4,710,045,255}{2,345,526,989} = 2.01$ times	= $\frac{3,846,470,962}{2,184,114,603} = 1.76$ times

**Interpretations**

The ratios indicate that the council has ability to meet its short term liabilities when they fall due.

**COMMITMENTS AND CONTINGENCIES**

**commitment**

As at 30 June 2020, the Council had capital commitments under various contracts.

**Legal claims**

**REPORT OF CIVIL CASES AND OTHER CLAIMS INVOLVING TANDAHIMBA DISTRICT COUNCIL**

It is undoubted clear that the council, as at 30th June, 2020 was involved in some disputes which are still pending in courts of law as is going to be elucidate hereunder;-

1. Tandahimba DC Vs Hamisi Mshamu Mnyuvely & 13 Others (Land Application No.57/2017)  
 Tandahimba District Council claims for the plot of land which is the property of Chingungwe Secondary school that has been trespassed by respondents. The matter is still pending before the District land and Housing tribunal for Mtwara.