

REPORT OF THE CONTROLLER AND AUDITOR GENERAL

THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT OF MINISTRY OF
WATER FOR SUSTAINABLE RURAL WATER SUPPLY AND SANITATION
PROGRAM (SRWSSP)-COORDINATION UNIT SUSTAINABLE FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2021**

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December, 2021

AR/ CG/SRWSSP/MoW/2020/21

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 and Sect.10 of the Public Audit Act, Cap. 418 (R.E 2021)

Vision

A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

Mission

To provide high-quality audit services through modernization of functions that enhances accountability and transparency in the management of public resources.

Motto: “Modernizing External Audit for Stronger Public Confidence”

Core values

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

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

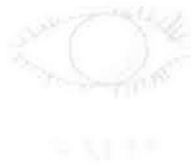
**We do this by:**

- ✓ 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.

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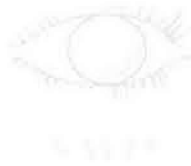
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Abbreviations

CAG	Controller and Auditor General
CG	Central Government
ISSAIs	International Standard of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
MoW	Ministry of Water
RUWASA	Rural Water Supply and Sanitation Agency
PPA	Public Procurement Act, 2011 (as amended in 2016)
PPR	Public Procurement Regulations, 2013 (as amended in 2016)
SRWSSP	Sustainable Rural Water Supply And Sanitation Program



1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Permanent Secretary,
Ministry of Water,
P. O. Box 456
DODOMA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

I have audited the financial statements of the Ministry of Water- Coordination Unit for Sustainable Rural Water Supply and Sanitation Program (SRWSSP) which comprise the statement of financial position as at 30 June 2021, 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 the Ministry of Water- Coordination Unit for Sustainable Rural Water Supply and Sanitation Program (SRWSSP) as at 30 June, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, 2001 (Revised 2004).

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of my report. I am independent the Ministry of Water- Coordination Unit for Sustainable Rural Water Supply and Sanitation Program (SRWSSP) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

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

Other Information

Management is responsible for the other information. The other information comprises the Statement by Honorable Minister 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 establishing 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, and Sect.10 of the Public Audit Act, Cap. 418 [R.E 2021] requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Sect. 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 a compliance audit on procurement of works, goods and services in the Ministry of Water- Coordination Unit for SRWSSP for the financial year 2020/21 as per the Public Procurement Act, 2011 and its regulation of 2013 (as amended in 2016).

Conclusion

Based on the audit work performed, I state that procurement of goods, works and services of Ministry of Water- Coordination Unit for SRWSSP is generally in compliance with the requirements of the Public Procurement Act, 2011 and its underlying Regulations of 2013 (as amended in 2016).



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



December, 2021

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40468 DODOMA.

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DAR ES SALAAM.

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2.0 FINANCIAL STATEMENTS

STATEMENT BY THE HONORABLE MINISTER

Water is a key driver for human development in all dimensions including agriculture, manufacturing, energy generation, livestock keeping, fishing, transportation, construction, tourism, environmental management and ecosystems. The water availability in quality and quantity facilitates socio-economic development due to their range of interactions. In that regard, development and management of water resources in terms of quantity and quality remain key factor towards sustainable development.

Furthermore, availability of adequate clean, safe and affordable water and sanitation services in a country has impact on standard of living of people and poverty reduction. Water is also a critical ingredient in our country's industrial development agenda in a bid to attain the aspirations in the national and international policy and planning frameworks such as the Sustainable Development Goals (SDGs) 2030, the Tanzania Development Vision (TDV-2025), the Five Year Development Plans (FYDP II) 2016-2021, and the *Chama Cha Mapinduzi (CCM)* Election Manifesto of 2020-2021.

Consequently, in a course towards fulfilment of the Ministry's mandates, the Government has put in place policy and legal frameworks. The frameworks include the National Water Policy (NAWAPO 2002); which are being implemented through the Water Sector Development Program (2006-2025). The policy objectives are to develop a comprehensive framework for sustainable use and equitable development of water resources; improved access to adequate and safe water to rural population and sustainable management of urban water supply and sewerage services. Along the policy the legal framework within which the sector operates are the Water Resources Management Act No. 11, 2009 and the Water Supply and Sanitation Act No. 5 of 2019.

The Ministry is implementing the Water Sector Development Program (WSDP) 2006 - 2025 in phases of five years. The Program objectives are to alleviate poverty through improvement in governance of Water Resources management and sustainable delivery of water supply and Sanitation Services. All sector activities regardless of the financing model are implemented under the WSDP Program. These include Water Sector Support Program II, Sustainable Rural Water Supply and Sanitation Program and Earmarked (Direct to Projects) financed projects.

The Ministry is determined to effective and efficient implementation of the policy, strategy and legal frameworks in order to achieve the national industrial development agenda. The major target and main focus being to reach the water supply coverage of more than 85 per cent and 95 per cent of the rural and urban population respectively as directed by the CCM Election Manifesto of 2020-2021; and ultimately achieve the TDV 2025's targets. The Ministry has been implementing water projects all over the country and some of the completed water projects between July 2020 and June 2021 has increased availability and accessibility of water services in urban.

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areas to 86 per cent and 72.3 per cent of rural inhabitants being served with safe water.

Our task ahead to realise the predetermined targets is huge and tough but we are confident that the targets will be reached due to stringent measures undertaken including insistence on using capable service providers, the force account modality in some water projects and capacity building to staff and Institutions under the Ministry. The Government will continue to make sure all available financial, human and material resources are effectively and efficiently utilised.



.....
Hon. Jumaa H. Aweso (MP)
Minister for Water

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STATEMENT AND GOVERNANCE REPORT BY THE ACCOUNTING OFFICER

1.0 INTRODUCTION

I am privileged to present the Governance Annual Reports and Financial Statements of the Sustainable Rural Water Supply and Sanitation Program (SRWSSP) for the financial year ended 30 June 2021. These financial statements have been prepared in accordance with the requirements of the Public Finance Act CAP 348 and presented based on Accrual basis of International Public Sector Accounting Standards (IPSAS). To increase clarity and reader's understanding, additional information have been included pursuant to the Tanzania Financial Reporting Standard number 1 as issued by the Tanzania Board of Accountants and Auditors (NBAA).

2.0 OVERVIEW OF THE PROGRAM

The Government of United Republic of Tanzania through the Ministry of Water (MoW) is implementing the Sustainable Rural Water Supply and Sanitation Program (SRWSSP) with the objective to increase access to rural water supply and sanitation services in 86 Districts located in 17 Regions out of Tanzania's 26 regions, based on 2017 rankings of water coverage, sanitation coverage, poverty and stunting rate. The Program support investments to improve and sustain access to water, sanitation, and hygiene for the communities. The regions are Tabora, Katavi, Rukwa, Lindi, Geita, Shinyanga, Singida, Kagera, Mwanza, Manyara, Mtwara, Simiyu, Iringa, Mara, Ruvuma, Kigoma and Songwe. Duration of implementation of SRWSSP is six years and became effective in July 2019.

The Sustainable Rural Water Supply and Sanitation Program is a hybrid operation that consists of two parts: A Program for Results (PforR) financing instrument which provides performance-based incentives to achieve results measured against disbursement-linked indicators (DLIs) and Investment Project Financing (IPF, "Project") to support the GoT to achieve the SRWSSP Operation results, and strengthen the capacity of selected sector institutions to sustain service delivery.

The Program is implemented through the World Bank's Program for Results (PforR) leading instrument. The SRWSSP funds include USD 330 million for Program for Results (PforR) and USD 20 million for Investment Project Financing (IPF). The background information is shown in the table 1 below:

Table 1: Program Background Information:

Project Name	Sustainable Rural Water Sanitation Program - SRWSSP
Project Number	P 163732
Development Partner	International Development Association (IDA) - World Bank (WB) Credit: IDA 62950
Key decision Dates	Approval Date: 26 June 2018 Signing Date: 07 Sept 2018 Effective Date: 15 July 2019 1st Disbursement Date: 25 October 2019 Closing Date: 31 July 2024
Contract Value	PforR Component USD 330,000,000

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	IPF Component USD 20,000,000 TOTAL USD 350,000,000
Amount Disbursed	October 2019 is USD 78,477,290 June 2021 is USD 102,000,385 Total sum of USD 180,477.675.
Overall IP Ratings	IP rating is based on disbursement sums Vs Financing Agreement (FA) contract value. Disbursement as at October 2019 is USD 78,477,290 as advance payment and USD 102,000,385 disbursed by June 2021 gives the total sum of USD 180,477.675. IP Rating August 2020: 22 per cent IP Rating June 2021: 52 per cent

3.0 FLOW OF FUNDS

The SRWS Program funds are received from IDA into a Project Holding Pooled Account denominated in U.S. dollars at the Bank of Tanzania and then, transferred to the Program Fund subaccount for the project denominated in local currency. The MoW, MoHCDGEC, PO-RALG, and districts are paid through the dummy fund system and transfers from the Program Designated Account at BOT to their bank accounts mainly held by commercial Banks.

4.0 FINANCING OF SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM

The SRWSSP is implemented through the World Bank's Program for Results instrument and is allocated a budget of USD 350 million for a period of six years.

The approved budget for the Financial Year 2020/21 for implementing SRWSSP was TZS 232,592,121,340 which includes TZS 3,753,886,500 for the Ministry of Water (MoW), TZS 28,467,204,701 for the Ministry of Health, Community Development, Gender, Elderly and Children, TZS 191,944,929,467 for RUWASA and TZS 8,426,100,673 for the Ministry of Education, Science and Technology.

5.0 OBJECTIVES OF THE PROGRAM

The Program Development Objectives (PDO) is to increase access to rural water supply and sanitation services in participating 86 District Councils in 17 Regions and strengthen the capacity of select sector institutions to sustain service delivery. The Program consists of the following activities:

- (i) Supporting Participating Districts sustained access to improved water services in rural areas.
- (ii) Investing in soundly designed and properly constructed water schemes.
- (iii) Rehabilitating and repairing non-functional water points and
- (iv) Monitoring and conducting maintenance activities on existing water schemes to ensure they remain functional.
- (v) Promoting increased access to improved sanitation services in rural areas.
- (vi) Rehabilitating and constructing sanitation and hygiene facilities a rural health centers and public schools.

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- (vii) Carrying out activities which promote and facilitate the upgrading and improvement of household sanitation and hygiene facilities
 - (i) Providing support to villages to enable them to reach Community Wide Sanitation status.
 - (ii) Strengthening the capacity of sector institutions to sustain service delivery in rural areas.
 - (iii) Providing incentives to the participating Districts to improve the operation and maintenance of water supply by registering COWSOs for existing schemes.
 - (iv) Supporting the establishment and operationalization of Reciepients new delivery model for the rural water sector, by providing incentives to the Agency to work with LGAs and COWSOs to facilitate establishment of a mechanism for the management, operation and maintenance of rural water supply schemes and
 - (v) Providing training to staff to improve the quality-of-service delivery.
 - (vi) The other activities to assist with the implementation of the Program and to mitigate implementation risks are:
 - (vii) Establishing an integrated reporting and management information systems and providing support to MOW, MoHCDGEC and PO-RALG in improving their capacity to collect, consolidate and use reak-time data on service delivery for planning and monitoring of the Program.
 - (viii) Recruitment of a strategic program support consultant to carry out a range of activities in support of the effective implementation of the program.
 - (ix) Recruitment of independent verification agent and developing a detailed verification protocol.
 - (x) Conducting a national behavioral change and communication sanitation campaign.
 - (xi) Strengthening the capacity of the Water Institute and Drilling and Dams Construction agency (DDCA) through provision of Training, technical advisory services and acquisition of the relevant equipment and Provision of technical advisory services and Training to strengthen the capacity of the institutions to promote effective implementation of the Program including improving the capacity to supervise borehole drilling, prepare engineering designs, standardize equipment, and apply simple water treatment applications.

6.0 PROGRAM KEY RESULTS (KR)

The PDO is to increase access to rural water supply and sanitation services in participating districts and strengthen the capacity of select sector institutions to sustain service delivery. The proposed key results indicators for the Program are as follows:

- (i) Number of people with access to an improved water supply (male and female) - Corporate Results Indicator.
- (ii) Number of people with access to an improved sanitation facility (male and female) - Corporate Results Indicator.
- (iii) Number of sustainably functioning water points.
- (iv) Number of villages that achieve and sustain community-wide sanitation.
- (v) Number of districts submitting accurate and complete sector Monitoring and Evaluation data.

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The intended Program results in the 17 geographic regions under the Program is as follows:

- 3 million new people with access to improved water supply.
- 45,000 at-risk water points made sustainable.
- 4 million new people with access to improved sanitation.
- 1,250 new villages with Community-Wide Sanitation.
- 1,500 new primary schools and 1,500 new health clinics with improved WASH facilities.
- Improved monitoring by LGAs.
- New Rural Water Agency established and operational.

7.0 VERIFICATION OF THE RESULTS

The Internal Auditor General (IAG) has been selected to be the Independent Verification Agent (IVA) for the SRWS Operation. This selection is based on IAG's role as an institution with both the independence and the mandate to conduct audits at the LGA level. IAG has good experience in acting as the IVA in World Bank-funded projects, notably the Tanzania Strengthening Primary Health Care for Results Program (P152736) PforR lending operation. IAG will have the possibility of sub-contracting verification activities for which it does not have the technical expertise in-house.

The IVA role is to provide independent verification of the data reported by the RUWASA and LGAs through MoW, using protocols agreed with the Bank.

8.0 PROGRAM IMPLEMENTATION ARRANGEMENT

The Ministry of Water is the contracting authority whereas the implementing ministries are the President's Office - Regional Administration and Local Government; Ministry of Health, Community Development, Gender, Elderly, and Children; and Ministry of Education, Science, and Technology. RUWASA is responsible for implementation of Rural Water Supply in Tanzania. The Ministry of Water has established a Program Coordination Unit under the Directorate of Water Supply and Sanitation to carry out day to day Program activities.

The institutional arrangements for the Program are described below:

- (i) The MoWI coordinates the implementation of the Program, through a national steering committee comprising the MoWI, MoHCDGEC, MoEST, PO-RALG, and MoFP.
- (ii) Sustainable access to improved water services in rural areas are implemented by the MoWI and the PO-RALG.
- (iii) Increased access to improved sanitation services in rural areas, are implemented by the MoHCDGEC, MoEST, and PO-RALG.
- (iv) Strengthen the capacity of sector institutions to sustain service delivery in rural areas, are implemented by the MoWI and MoHCDGEC. Activities relevant for rural water are implemented by the MoWI whereas technical support activities pertaining to sanitation and hygiene are implemented by the MoHCDGEC.

9.0 AUDIT COMMITTEE

The Audit Committee members were appointed by the Accounting Officer pursuant to provision of Regulation No. 32 (1) of the Public Finance Regulations of 2001. The Audit

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Committee functionally reports to the Permanent secretary who is the Accounting Officer for Vote 49. The Committee deals with all matters relating to finances and other related matters as shown in **Table 2**.

Table 2: Audit Committee Members

Name	Position	Age	Qualification/ Discipline	Nationality	Date of Appointment
Mr.Cassim Mambo	Chairperson	55yrs	MBA, BCOM, CPA (T) PP	Tanzanian	11 August, 2020
Mr. Philipo C. Chandy.	Member	56yrs	Msc Enviromental Science	Tanzanian	11 August, 2020
Mr. Rayner Matowo	Member	50yrs	MBA, CPA (T)	Tanzanian	11 August, 2020
Mr. Emmanuel Mwakabole.	Member	43yrs	Msc in Water Supply and Sanitation	Tanzanian	11 August, 2020
Ms. Sabina Faya	Secretary	49yrs	LLB (Advocate of the High Court).	Tanzanian	11 August, 2020

Audit Committee Meeting

During the Financial year ended 30 June 2021 the Audit Committee held four (4) Ordinary meetings which performed the following duties as shown below:

Activities and Implementation of Audit Committee Meeting

No.	Activity/function planned	Implementation
1	29 - 30/09/2020	The Committee discussed and gave its recommendations, advice and approved the following after the discussion: - i) Annual Internal Audit Report of 2020/21 ii) Financial Statements for the year ended 30 June 2020 iii) Financial Statements of Water Sector Development Programm II for the Year ended 30 June 2020. iv) Ministry of Water Internal Audit Guidelines which are a. Internal Audit Charter 2020. b. Audit Committee Charter 2020. c. Internal Audit Plan of 2020/2021 for National Water Fund d. Internal Audit Plan of 2020/2021 for Vote 49
2	15 -16 /06/2021	i) VOTE 49 and Consolidated Internal Audit Report from Water Sector Implementing Agencies for the Second Quarter of Financial Year 2020/21. ii) Audited Report for Financial Year Ended to June 2020 in which it includes the implementing Agencies as follows: a. Reports of Basins' Boards -2020/21. b. Reports for Six National Water Supply and Sanitation Authorities-2020/21.

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		<ul style="list-style-type: none"> c. Water Sector Development Program Reports- 2020/2021. d. Presentation by the Project Coordinator for the WSSP II in Wami Ruvu Basin. e. Presentation by the Project Coordinator for the PFR Project in the Sustainable Rural Water Supply and Sanitation Program.
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During the financial year 2020/21, the audit committee held four ordinary meetings. The attendance of each members during the year under review is as shown in the Table 4 below:

Attendance of the Audit Committee Members

S/N	Name	Ordinary Meetings attendance			
		29/09/2020	30/09/2020	15/06/2021	16/06/2021
1	Mr.Cassim Mambo	P	P	P	P
2	Mr. Philipo C. Chandy.	P	P	P	P
3	Mr. Rayner Matowo.	P	P	P	P
4	Mr.Emmanuel Mwakabole.	P	P	P	P
5	Ms.Sabina Faya	P	P	P	P

KEY: P - Present A - Absent with apology

Members of Tender Board

S/N	Name	Position	Age	Qualification/ Discipline	Nationality	Date of Appointment
1	Mr. Barnabas Nduguru	Chairperson	59	Msc (Public Administration)	Tanzanian	14/07/2021
2	Mr. Ahadi Msangi	Member	56	CPA(T), MBA, LLB (Hons)	Tanzanian	20/04/2021
3	Mr. Philipo Chandy	Member	56	Msc (Environmental Science)	Tanzanian	20/04/2021
4	Eng. William Christian	Member	57	Msc (Water Supply)	Tanzanian	14/07/2021
5	Eng. Lydia Joseph	Member	44	Msc (Water Resources)	Tanzanian	20/04/2021
6	Mr. Robert Sunday	Member	46	BA, MSc (Water Resources)	Tanzanian	20/04/2021
7	Mr. Prosper Buchafwe	Member	51	MPP(ECOM), Master (Security & Strategic)	Tanzanian	20/04/2021
8	Dr. Chrostopher P. Nditi	Secretary	54	MBA, Msc (Info), MPM, PHD, APDS	Tanzanian	20/04/2021

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Tender Board Meeting

During the year under review, the tender Board held four (4) ordinary meetings. The attendance of each member during the period under review is as shown in the Table 6 below:

Attendance of the Tender Board Members

S/No	Name	Meetings			
		26/07/2019	19/11/2019	16/06/2020	30/06/2020
1	Mr. Barnabas Nduguru	P	P	P	P
2	Mr. Ahadi Msangi	P	P	P	P
3	Mr. Philipo Chandy	P	P	P	P
4	Eng. William Christian	P	P	P	P
5	Eng. Lydia Joseph	P	P	P	P
	Mr. Robert Sunday	P	P	P	P
6	Mr. Prosper Buchafwe	P	P	P	P
7	Dr. Christopher P. Nditi	P	P	P	P

KEY: P - Present A - Absent with apology

10.0 PERFORMANCE FOR THE YEAR

10.1 Achievements

The Program achieved substantially on its duties and functions in line with the Program development Indicators for the financial year 2020/21. To mention a few, the followings were some of the major achievements for the Program:

With the aim of management of program coordination unit, the Ministry conducted several Coordination meetings aimed at improving Program performance, Supportive Supervision on Construction of Water infrastructure, schools' toilets and health centers was done.

The Unit continued to receive funds from World Bank and disburse them to implementing entities and provide technical assistance on financial management for those entities.

Ministry manage to Update the Program operational manual report requirement to facilitate preparation of the Program financial statements.

As a result, the program achieved the results against the Program Development Objectives (PDO) indicators and the intermediate results indicators in the Result Framework as shown below:

Program Development Objectives

Results Indicators	Unit	Program Targets for 6 years	Previous -year 1 (verified results)	Actual -year 2(to be verified)
PDO 1: Number of people with access to an improved water supply	Number	3,000,000	1,831,000	2,028,475

MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

PDO 2: Number of sustainably functioning water points	Number WPS Number HHC	45,000	36,829 50,115	51,793 30,216
PDO 3: Number of people with access to an improved sanitation facility	Number	4,000,000	2,602,650.	3,021,885
PDO 4: Number of villages that achieve and sustain community-wide sanitation	Number	1,250	72	847
PDO 5: Number of district councils submitting accurate and complete sector M&E data	Number	86	Water supply: 54 Sanitation: 0	86 36
Intermediate Results Indicators	Unit	Program Targets for 6 years	Actual year 1 (verified results)	Actual year 2 (to be verified)
Intermediate Results Indicator 1: Number of public schools with access to improved sanitation and hygiene facilities	Number	1,500	185	922
Intermediate Results Indicator 5: Enrolment ratio of female students for the Water Institute	Percent	0	31.1	33.5
Intermediate Results Indicator 6: Number of district community of practice meetings with citizen engagement	Number	0	63	1,065
Intermediate Results Indicator 7: Increase in access to hand washing facilities among the target population	Percent	0	38.5	42.2
Intermediate Results Indicator 8: Agency established and operational	Milestone	0	Audit, QA and QC units were established and operational.	Tech. support agreement signed and implemented with 10 percent of CBWSO

MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

10.2 Challenges

There are challenges and constraints faced by the Ministry in due course of executing routine operations of the Program that limits and restricts effectiveness during the processes of the achieving Program aspirations.

- (i) Inadequate number of staff at RUWASA regional and District level.
- (ii) COVID 19 Emergencies: this is a global issue and each country has level of dealing with the pandemic situations. However, the pandemic challenges have affected Tanzania negatively especially with megaprojects which require external assistance and technology transfer. In this case SRWSSP is very much affected. We thus need an integrated approach to solve the issues of COVID 19 as the project duration period will be affected if we proceed without cure or immediate solutions. However, the project has suffered delays in terms of international supplies and lack of registration meeting of CBWSOs.
- (iii) Inadequate office accommodations for RUWASA at regional and district levels.
- (iv) VAT exemptions and improvements; GN on Taxation Issues; This takes a long time to address among our inter-ministerial approvals but MoW has reached consensus and does not expect much of challenges with the future project contracting and taxation issues.
- (v) Increasing water demand against water availability.
- (vi) Remoteness of some stations increased the costs of monitoring and evaluation.

10.3 Future Outlook/Way Forward

The Ministry will continue to put more emphasis on the following priority areas as stipulated in the Ministry Strategic Plan:

- (a) Effective support for investment and institutional development - capacity building.
- (b) Develop guidelines for operation and maintenance and harmonize with Program design manual.
- (c) Building capacity to manage water supply and sanitation.
- (d) Enhance collaboration with MOFP, MOEST, MoHCDGEC and PO - RALG.
- (e) Rehabilitation of water infrastructure to ensure sustainability for water supply and sanitation.

10.4 Plans for 2021/22

In 2021/22, the Ministry planning to implement the following planned activities

- (a) To conduct coordination, review meetings with implementing entities for improvements of program performance.
- (b) Conduct Supportive Supervision to implementing entities financial management and Compliance on Medicine quality assurance.
- (c) To build capacity of implementers to meet the requirements of Program hence increase the performance of the program.

10.5 Risk Management and Internal Control

The Management of the MoW assumes final responsibility for the internal control system and risk management of the Program. It is the function of the Management to ensure that proper internal control systems are developed and maintained on an on-going basis in order to bring reasonable assurance in respect to effectiveness and efficiency of its operations; safeguarding of the Program's assets; compliance with applicable laws and regulations;

MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

reliability of accounting records and Operation sustainability on normal as well as abnormal conditions.

During the financial year the Program, mitigated probable risks using its internal controls available at various level of the Program's organisation structure, consistent with the existing regulations and risk management objectives. The audit Committee, the internal audit unit and segregation of duties which include pre audit (pre examination) were part of internal controls deployed by Management as its risk mitigation tools.

The Management assessed the internal control systems throughout the financial year ended 30 June 2021 and satisfied that; the internal controls in place were effective and meet accepted criteria.

10.6 Solvency

The Management confirms that, applicable accounting standards (IPSAS, TFRS, the Public Finance Act CAP 348 and other Governing legislatures) have been complied with and that the financial statements have been prepared on a going concern basis. Likewise, Management has reasonable expectation that, the Program will continue its operations for the foreseeable future.

10.7 Prejudicial Issues

There were no issues beyond the management control in achieving objectives.

10.8 Political And Charitable Donations

The program did not make any political donations during the financial year.

10.9 The Impact OF Covid-19

COVID 19 Emergencies is a global issue and each country has level of dealing with the pandemic situations. However, the pandemic challenges have affected Tanzania negatively especially with megaprojects which require external assistance and technology transfer. In this case SRWSSP is very much affected. We thus need an integrated approach to solve the issues of COVID 19 as the project duration period will be affected if we proceed without cure or immediate solutions. However, the project has suffered delays in terms of international supplies and lack of registration meeting of CBWSOs.

10.10 Cross Cutting Issues

The Ministry has Programs to educate employees regarding the HIV/AIDS, Covid-19 pandemic and other chronic diseases such as hypertension, cancer and diabetes. In addition, employees are encouraged to examine their health regularly to enable them take appropriate actions in case of the need to do so.

10.11 Auditors

The Controller and Auditor-General (CAG) is the statutory auditor for the Ministry pursuant to the provision of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2000), and the Public Audit Act, 2008.

**MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

10.12 Conclusion

The recorded Program achievements were possible through cooperation of staff and other stakeholders. The Ministry will continue to implement SRWSSP in line with the framework outlined in the Medium-Term Strategic Plan and maintain good financial management system.



Eng. Anthony D. Sanga

Date: 29/12/2021

PERMANENT SECRETARY

**MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

STATEMENT OF MANAGEMENT RESPONSIBILITY

Management of the Ministry of Water is responsible for the preparation of these Annual Financial Statements ended 30 June 2021, to which give a true and fair view of the entity's state of affairs and its operating results in accordance with International Public Sector Accounting Standards (IPSAS) on Accrual Basis, in conformity with the provision of the Public Finance Act Cap 348, Section 25 (2) & (4) (as revised in 2004). This responsibility includes; designing, implementing and maintaining internal controls relevant to the preparation and presentation of the financial statements that are free from material misstatement, whether on account of fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances which provide reasonable assurance that the transactions recorded are within statutory authority, and properly record the use of all public financial resources accordingly.

This mandate was given as per the Ministers (Discharge of Ministerial functions) Act (cap 299) Government No.144 published on 22 April, 2016 which specifies the functions and responsibilities for the Government enterprises business and other matters. The Government budget for Ministry of Water (Vote 49) was approved for fiscal period from 1 July 2020 to 30 June 2021 and the Vote continued to operate in the same manner as in the approved budget for the period to 30 June 2021. To the best of our knowledge, the system of internal control has operated adequately throughout the reporting period and that the records and underlying accounts provide a reasonable basis for the preparation of the Financial Statements for the year ended 30 June 2021.

Procurement of goods, works, consultancy and non-consultancy service to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement (Amendment) Act, 2016 and amendment Regulations 2016. The Management accepts the responsibility for the integrity of these financial statements, the information they contain and their compliance with the Public Finance Act No. 6 of 2001 (as revised in 2004) and its Regulations; International Public Sector Accounting Standards (IPSAS) Accrual's basis; and Guidelines issued from time to time by Paymaster General and Accountant General. Management is taking responsibility of building confidence to users of these financial statements that they portray the true and fair view of the state of affairs of the reporting entity. In our opinion, nothing has come to the attention of the management that the financial statements don't present fairly all material respect of the operations of the entity and will not remain a going concern for the next twelve months from the date of these statements.



Eng. Anthony Sanga



Date

Accounting Officer

**MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTING UNIT

The National Board of Accountant 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 the financial statement to be accompanied with the declaration issued by the head of Finance and Accounting responsible for the preparation of financial statements of the entity concerned

It is a duty of the professional Accountant to assist the Management to discharge the responsibility of preparing the financial statements of the entity showing true and fair view of the entity position and performance with accordance with applicable international Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statement rests with the Management under Management Responsibility statement on earlier page.

I, Ahadi E. Msangi being the Head of Finance and Accounting Unit of the Ministry of Water (Vote 49) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June, 2021 have been prepared in compliance with applicable accounting standards and statutory requirements.

I, thus confirm that the Financial Statements give true and fair view position of the Ministry of Water (Vote 49) as on that date and that they have been prepared based on properly maintained financial records.

Signed by:



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Position:

Chief Accountant

NBAA Membership No:

ACPA 2734

Date:

29/12/2021

.....

MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

COMMENTARY TO THE FINANCIAL STATEMENTS

1. Introduction

The program allocated its resources in the areas of priorities basing on planned activities focussing on adhering to the program priority areas; nevertheless, some of the activities were not fully implemented due to constraints that were caused by delays in disbursements of funds, hence some of the activities started late and will continue to be implemented in the financial year 2021/22. These financial statements include; statement of financial position, statement of financial performance, statement of changes in net asset/ equity, cash flows statement, statement of comparison of budget and actual amounts and notes to the financial statements as at 30th June, 2021.

2. Revenue Receipts

The amount received for the year under review is TZS 232,592,121,241 which is 23 per cent% more than the TZS 178,770,300.714 seed money released in the 2019/2020 financial year, this increase is due to the significant results especially the large number of new people accessing clean water in rural areas amounted to 1.8 million plus a large number of people with improved sanitation facilities, amounting to 2.6 million.

3. Program Funds Distribution

The approved budget for the Financial Year 2020/2021 for implementin Sustainable Rural Water Supply and Sanitation Program (SRWSPSRWSSP) was TZS 232,592,121,341 which includes TZS 3,753,886,500 for the MoW, TZS 191,944,929,467 for RUWASA, TZS 28,467,204,701 for the Ministry of Health Community Development Gender, Elderly and Children and TZS 8,426,100,673 for the Ministry of Education Science and Technology, compared to TZS 178,770,300,714 in FY 2019/20. The increase by 30 per cent% was contributed by more financing as a result of good program performance in the previous year.

2. Expenses and Transfers

During the Financial Year 2020/21 the Program received a total of TZS 232,592,121,341 for implementation of Program activities. Out of this amount, a total amount of TZS 18,334,943,000 was spent as follows: TZS 5,271,842,388 by Ministry of water for coordination and implementation of the program, TZS 4,636,999,939 transferred to RUWASA HQ and TZS 8,426,100,673 transferred to the Ministry of Education, Science and Technology.

2.1 Current Grants, Transfer and Subsidies

During the year under review MOW transferred funds amounting to TZS 13,063,100,612 to Implementing Agencies compared to TZS 42,714,541,875 transferred in the Financial year 2019/20. The decrease was caused by delay in the disbursement of funds.

2.2 Other Expenses

During the year TZS 2,740,275,226 were spent under category of other expenses compared to 23,010,750 noting a increase due to high volume on consultancy Services, audit fee and audit supervision fees.

**MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

2.3 Supplies and Consumable Goods

During the year under review total expenditure for supplies and Consumable Goods amounted to TZS 918,183,316.00 as compared to TZS 7,667,139,553.43 in the previous financial year. The decrease by 18 per cent is due to delay in the disbursement of fund.

2.4 Depreciation and Amortization Expenses

The depreciable amount of an asset is a systematic allocations cost over its estimated useful life as revealed in Figure 4 below.

The Program recorded depreciation and amortization of TZS 17,707,045 on its Non-Current Assets compared to TZS 119,185,206.35 in the financial year 2019/20.

2.5 Finance Costs

During the Financial Year 2020/2021 TZS 803,740.50 compared to TZS 8,238,486.11 in the 2019/20 were spent as the bank charges.

3. Assets

Total Asset at the end of financial year comprises of; Current Asset of TZS 229,367,391,844 (Cash and Cash Equivalent and Prepayments) and non-current assets worth TZS 764,581,662 of (Property, Plant and Equipment). Total Assets for the year ended June, 2021 was TZS 230,131,973,506 compared to TZS 126,834,282,454.66 in the prior year. The increase relates to a increase on cash and cash equivalent due to amortization expenses.

3.1 Cash and Cash Equivalents

The amount of Cash and Cash Equivalent as at 30 June 2021 were TZS 227,963,448,533 (TZS 225,328,178,686 at BOT program holding account and TZS 2,635,269,847 at CRDB Bank) as compared to TZS 103,061,571,615.65 in the financial year 2019/20. The increase was attributed to delay of disbursement of funds which leads to delay in transfer of funds to implementing agencies.

3.2 Prepayments

Prepayments as at 30 June 2021 amounted to TZS 1,403,943,311 (2019/20: TZS 4,648,348,127.89) which consist for acquisition of five motor vehicles and laboratory equipments for the Water institute as part of the IPF component.

3.3 Property Plant and Equipment

Property, Plant and Equipment (PPE) contains Motor vehicle, Plant and Machinery, computer equipment, Office Equipment and Furniture and Fittings. The total carrying amount for PPE less of Accumulated Depreciation as ata 30 June 2021 was TZS 764,581,662 compared to TZS 649,460,625.20 for the previous year. The increase was mainly attribute to procurement of more assets.

4. Deferred Income

This represents the income for activities that remained un-implemented for the year under review. During the year a total amount of TZS 227,863,661,955 was reported as deferred revenue. Compared to TZS 103,061,571,615.65 of 2019/20. The increase was attributed by late disbursement to the program on May 2021.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

5. Net Asset

Net Asset includes Taxpayers Fund and Accumulated Surplus/Deficit. Accounting Circular No. 2 of 2018/19 define Taxpayers fund as the public fund which includes all resources collected and spent by the Government in various infrastructures. The term Taxpayers Fund was adopted by the Government in respect of initial residual value, hence Taxpayers fund is expected to be static after the lapse of IPSAS implementation which ended transitional period in the financial year 2016/17. The program has the Net Asset worth TZS 2,268,311,552 as at 30 June 2021 compared to TZS 19,176,520,306.33 for the prior year.

6. Cash Flow Statement

Cash Flow Statement comprises of Cash flow from operating activities, Cash flow from investing activities and Cash flow from financing activities.

6.1 Cash Flow from Operating Activities

During the year under review the Program received a total sum of TZS 232,592,121,341. Total payment made were TZS 16,722,362,900 resulting to a Net Cash Flow from Operating activities of TZS 215,869,758,440.

6.2 Cash Flow from investing activities

Under this item TZS 1,612,580,100 were spent to Purchase and Construct non-current assets. Hence, the Net cash flow from investing activities is TZS 1,612,580,100.


Accounting Officer


Date

MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

Details	Notes	2020/21 TZS	2019/20 TZS
ASSETS			
Current Assets			
Cash and cash equivalents	20	227,963,448,533	103,061,571,615.65
Prepayments	21	1,403,943,311	4,648,348,127.89
Total Current Assets		229,367,391,844	107,709,919,743.54
Non-current Assets			
Property, plant and equipment	22	764,581,662	649,460,625.20
Work in Progress	23	0	18,465,026,585.92
Intangible Assets	24	0	9,875,500.00
Total Non - current Assets		764,581,662	19,124,362,711.12
Total Assets		230,131,973,506	126,834,282,454.66
LIABILITIES			
Current liabilities			
Deferred income- capital nature	14	205,077,295,759	107,657,762,148.33
Deferred income- recurrent nature	14	22,786,366,196	
Total current liabilities		227,863,661,955	107,657,762,148.33
Non-Current Liabilities			
Deferred income		0	0
Total non -Current liabilities		0	0
Total Liabilities		227,863,661,955	107,657,762,148.33
Net Assets		2,268,311,552	19,176,520,306.33
Net Assets Presented By			
Accummulated Surplus		2,268,311,552	19,176,520,306.33
TOTAL NET ASSETS		2,268,311,552	19,176,520,306.33



Eng. Anthony Sanga

Date: 29/12/2021

ACCOUNTING OFFICER

MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

		2020/21	2019/20
Revenue	Notes	TZS	TZS
Revenue from non exchange transaction			
Amortized revenue	13	18,334,943,000	71,112,538,565.45
Gain on Exchange translation	23	47,628,977	52,157,595.27
Total Revenue		18,382,571,977	71,164,696,160.72
Expenses			
Wages Salaries and Employee benefits		0	(221,553,717.00)
Current Grants, Transfers and Subsidies	16	(13,063,100,612)	(42,714,541,875.00)
Supplies and Consumables	15	(918,183,316)	(7,667,139,553.43)
Routine Maintenance		0	(1,234,506,266.50)
Finance Costs	17	(803,741)	(8,238,486.11)
Other Expenses	18	(2,740,275,226)	(23,010,750.00)
Depreciation of property, plant and equipment	27	(17,707,045)	(119,185,206.35)
Total expenses		(16,740,069,939)	(51,988,175,854.39)
Surplus for the period		1,642,502,038	19,176,520,306.33

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Eng. Anthony D. Sanga

Date: 29/12/2021

ACCOUNTING OFFICER

**MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

Details	Accumulated Surplus TZS	Total TZS
Balance at 1 July 2020	19,176,520,306.33	19,176,520,306.33
Adjustment; transfer to RUWASA	18,550,710,792.33	18,550,710,792.33
Balance after Transfer (MoW) as at July, 2020	625,809,514.00	625,809,514.00
Surplus during the year	1,642,502,038.00	1,642,502,038.00
Balance as at 30 June 2021	2,268,311,552.00	2,268,311,552.00
Balance at 1 July 2019	0.00	0.00
Surplus during the year	19,176,520,306.33	19,176,520,306.33
Balance as at 30 June 2020	19,176,520,306.33	19,176,520,306.33



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Eng. Anthony Sanga

Date: 29/12/2021

ACCOUNTING OFFICER

**MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

CASH FLOWS STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Notes	2020/21 TZS	2019/20 TZS
Cash flows from operating activities		
Receipts		
Revenue from exchange transactions	12 232,592,121,341	178,770,300,714
Total receipts	232,592,121,341	178,770,300,714
Payments		
Wages, Salaries and Employee benefits	0.00	(221,553,717.00)
Current Grants, Transfers and Subsidies	15 (13,063,100,612)	(42,714,541,875.00)
Supplies and Consumables	14 (918,183,322)	(7,667,139,553.43)
Routine Maintenance	0.00	(1,234,506,266.50)
Finance Costs	16 (803,741)	(8,238,486.11)
Other Expenses	17 (2,740,275,226)	(23,010,750.00)
Total payments	(16,722,362,900)	(51,868,990,648.04)
Net cash generated from operating activities	215,869,758,440	126,901,310,065.74
Investing activities		
Acquisition of property, plant, and equipment	26 (208,636,788)	(768,645,831.55)
Prepayment	21 (1,403,943,311)	(4,648,348,127.89)
Work in Progress	0.00	(18,465,026,585.92)
Purchase of Intangible Assets	0.00	(9,875,500.00)
Net cash flow from investing activities	(1,612,580,100)	(23,891,896,045.36)
Net increase/decrease Cash and cash equivalent	214,257,178,341	104,009,414,020.38
Cash and Cash equivalent at the beginning	13,658,641,209	0
Gain on exchange transaction	47,628,977	52,157,595
Cash and Cash equivalent at the end of period	227,963,448,533	103,061,571,615.65


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Eng. Anthony Sanga
ACCOUNTING OFFICER

Date: 29/12/2021

MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF COMPRISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021						
Details	Original Budget	Reallocaion/ Adjustment	Final Budget (B)	Actual Amount on Comparison Basis (A)	Different Final Budget & Actual (B-A)	Remarks
	TZS	TZS	TZS	TZS	TZS	
RECEIPTS						
Funds Received	232,592,121,341	0.00	232,592,121,341	232,592,121,341	0.00	
Exchange rate gain	0	47,628,977	47,628,977	0.00	47,628,977	
TOTAL RECEIPTS	232,592,121,341	47,628,977	232,639,750,318	232,592,121,341	47,628,977	
PAYMENTS						
Current Grants, Transfers and Subsidies	225,111,525,411	0.00	225,111,525,411	13,063,100,612	212,048,524,799	The variation was attributed by delay of disbursement of funds.
Supplies and Consumable Goods	1,800,000,000	0.00	1,800,000,000	918,183,320	881,816,678	The variation was attributed by delay of disbursement of funds.
Finance Cost	3,000,000.00	0.00	3,000,000.00	803,742	2,196,260	The variation was attributed by delay of disbursement of funds.
Other Expenses	3,167,495,930	0.00	3,167,495,930	2,740,275,226	427,220,704	The variation was attributed by delay of disbursement of funds.
Pre-Payment	1,600,000,000	0.00	1,600,000,000	1,403,943,311	396,056,689	The variation was attributed by delay of disbursement of funds.
Purchase/Construction of Non-Current Assets	910,000,000	0.00	910,000,000	208,636,788	501,363,212	The variation was attributed by delay of disbursement of funds.
TOTAL PAYMENTS	232,592,121,341	0.00	232,592,121,341	18,334,942,999	214,257,178,341	
NET RECEIPTS	0.00	47,628,977	47,628,977	214,257,178,342	214,304,807,318	Exchange rate gain due to exchange rate translation

MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Program operates as per requirement of section 8 of Public Finance Act CAP 348. It is a second phase of GoT Water Sector Development Program (WSDP-2) that is specifically intended to improve access to water supply and sanitation services.

<p>PRINCIPAL PLACE OF BUSINESS</p> <p>Ministry of Water Government City - Mtumba, Maji Street P.O.Box 456, Dodoma</p>	<p>BANKERS</p> <p>Bank Of Tanzania, 2 MIRAMBO STREET, ACCOUNT NUMBER: 9931231101 ACCOUNT NAME: Sustainable Rural Water Supply And Sanitation Program (SRWSSP) P.O BOX 2939, 11884 Dar Es Salaam</p>
<p>ACCOUNTING OFFICER,</p> <p>Eng. Anthony D. Sanga Government City P.O Box 456 Dodoma</p>	<p>BANKERS</p> <p>CRDB Bank, Lapf Branch, Account Number: 0150532293200 Account Name: SRWSSP Project Dodoma</p>
<p>AUDITORS</p> <p>Controller And Auditor General The National Audit Office, Audit House 4ukaguzi Road, P.O.Box 950 41104 Tambukareli Dodoma</p>	<p>LAWYER</p> <p>Attorney General, P.O BOX 9050, Dar Es Salaam</p>

2. Reporting Entity

The Financial Statements of Sustainable Rural Water Supply and Sanitation Program are prepared as specified in the relevant legislation and requirement of section 25 of Public Finance Act No.6 of 2001 as revised in 2004 and para 8.1.3 of MoU between the United Republic of Tanzania and World Bank for implementation of Sustainable Water Supply and Sanitation Program using common implementation arrangements.

3. Significant Controlled Entities

There were no entities controlled by the Program during the financial year ended 30 June 2021. The program has three implementing entities which are RUWASA, MOEST and MOHSW.

4. Statement of Compliance and Basis of Preparation

These financial Statements comply with International Public Sector Accounting Standards - Accrual basis of Accounting, the measurement bases applied is historical

MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

cost adjusted for revaluation of assets to ascertain the deemed cost. The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. Moreover, the financial Statements have been prepared in accordance with Public Finance Act CAP 348, Circulars and Guidelines issued by the Accountant-General's Department.

5. Authorization Date

The financial statements were authorized for issue on 28 December 2021 by Eng. Anthony D. Sanga

6. Summary of Significant Accounting Policies

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

6.1 Reporting Period

The reporting period for these Financial Statements is the financial year of the Government which runs from 1 July 2020 to 30 June 2021.

6.2 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Department are measured using the currency of the primary economic environment in which the Government of Tanzania operates ("the functional currency"). These financial statements are presented in Tanzanian Shillings (TZS), which is the Government'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.

6.3 Cash and cash equivalents

Cash and bank balances in the statement of financial position comprise cash at bank 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, net of outstanding bank overdrafts

6.4 Unspent Cash Balance

In accordance with the requirement of the Public Finance Act Cap 348. Unspent cash balances by the program at the end of the financial year are carried forward to the subsequent financial year as the agreement between the Government of Tanzania and the World Bank.

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6.5 Revenue from non-exchange transactions

Revenue from non-exchange transactions mainly comprises Exchequer Revenue. Exchequer Revenue is recognized after amortization of Recurrent Deferred Income and Development Deferred Income realised during the year under review.

6.6 Expenses

In general, expenses are recognized when are incurred.

6.7 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. The Program has adopted straight line method for depreciation of Assets which is allocated systematically over the useful life of the respective assets as per IPSAS 17, the Government Asset Guidelines issued on 30th April, 2019 and the applicable accounting policies.

The depreciable amount of an asset is allocated on a systematic basis over its estimated useful life. The prevailing International Standard for depreciation shall be applied over the useful life of the assets. In accordance with the Generally Acceptable Valuation Principles (GAVP), depreciation for valuation purposes shall be the adjustment made to the replacement cost to reflect physical deterioration, functional and economic obsolescence.

Depreciation

The Program adopted straight line method for depreciation of Assets which is allocated systematically over the useful life of the respective assets as guided under the Government Asset Guideline of 2019 and applicable accounting policies. The depreciable amount of an asset is allocated on a systematic basis over its estimated useful life.

The prevailing International Standard for depreciation is applied over the useful life of the assets. In accordance with the Generally Acceptable Valuation Principles (GAVP), depreciation for valuation purposes shall be the adjustment made to the replacement cost to reflect physical deterioration, functional and economic obsolescence.

Estimated Useful Life (EUL)

Assets ran an economic life peculiar to themselves depending on make, constant handling and operational use. Some assets are continued in use much beyond the EUL due to periodical maintenance and repairs. Assets expected life are projected in ranges as follows:

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Description	Years
Administration assets	
Leasehold land	-
Buildings : Office	50
Furniture and Fixtures	5
Motor vehicles: Light duty (below 5 tons)	5
Office Equipment	5

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 derecognition 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.

6.7 Events after Reporting Date

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

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

6.8 Financial Instruments

Financial Instruments include cash and cash equivalents (financial Asset) and accounts payables (financial liability). Financial Instruments are recognized in the statement of financial position at cost. This approximates fair value due to their short term nature. The Ministry financial liability include only financial instrument which are recognized from supplies of goods or services not yet paid at reporting date.

6.9 Deferred income revenue

This relates to Program grant received in which the related expenses have not been incurred, therefore the amount has been deferred to the next financial period.

7. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Program 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.

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

7.2 Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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 liabilities regarding utilities such as: telephone, water and electricity. Values given to assets are more estimates based on the initial price or in line with its assumed wear and tear.

8. Future Changes in Accounting Policies

Standards issued but not yet effective up to the date of issuance and some amendment thereon which might have impact in the Ministry financial statements are listed below. This listing of standards issued is those that the Department reasonably expects to have an impact on disclosures, financial position or

performance when applied at a future date. The entity intends to adopt these standards when they become effective.

Financial Instruments-IPSAS 41.The effective date of IPSAS 41 is 1 January 2021.	The Ministry is currently assessing the impact of complying with this standard
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9. Exchange Rates

All monetary amounts in the financial statements are expressed in Tanzanian Shilling, the legal tender shown as TZS. As at 30 June 2021 the closing rates for United States dollar as per BOT was:

Currency	30 June 2021	30 June 2020
United States Dollar (USD)	2,287.495	2,285.089

10. Risks Management Objectives and Policies

The Ministry is subject to a number of financial and operational risks, hazards and strategic risks and is responsible for ensuring appropriate risk management strategies and policies are in place within any mandate provided by legislation.

a) Interest Rate Risk

Interest rate risk refers to the risk of loss due to adverse movement in interest rates. In general interest rate risk is managed strategically by issuing a mix of fixed and floating rate debt.

b) Foreign Exchange Risk

Foreign exchange risk refers to the risk of loss due to adverse movements in foreign exchange rates. A range of instruments is currently being used to minimize the Department's exposure to foreign exchange risk which include

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currency. This affected the Department on payments of foreign travel Per diem and travel tickets.

c) Credit Risk

Credit risk refers to the risk of a loss due to the non-performance by counterparties to discharge an obligation. Financial instruments which subject the Government to credit risk include bank balances and receivables, advances and investments.

The entities within the Government reporting entity manage their exposure to credit risk by:

- (i) Maintaining credit exposure only with highly rated institutions, for which the probability of default is low. The credit worthiness of counterparties is continuously monitored;
- (ii) Ensuring diversification of credit exposure by limiting the exposure to any one financial institution; and
- (iii) In some instances, requiring a form of collateral from counterparties.

d) Liquidity Risk

Liquidity risk refers to the loss due to the lack of liquidity preventing quick or cost effective liquidity products, position or or portfolios. Liquidity risk is managed on an individual entity basis, which generally requires entities to hold assets of appropriate quantity and quality to meet all their obligations as they fall due.

11. Reconciliation of actual amounts on a comparable basis and actual amounts in the financial statements for the year ended 30 June 2021

A reconciliation between the actual amounts on a comparable basis as presented in the statement of comparison of budget and actual amounts and the actual amounts in the statement of cash flows for the year ended June 30 2021 is as follows:

Reconciliation of Actual Amount on Comparable Basis Between Statement of Comparison of Budget and actual Amounts and Statement of Cash flows.

Details	Operating	Financing	Investing	Total
Actual amount on comparable basis as presented in the budget and actual comparative statement.	215,869,758,440	-	1,612,580,100	217,482,338,540
Basis differences	0	0	0	0
Timing differences	0	0	0	0
Actual amount in the statement of cash flows.	215,869,758,440	-	1,612,580,100	217,482,338,540

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	2021 TZS	2020 TZS
12. Revenue from non exchange transaction		
Cash received	232,592,121,341	178,770,300,714
13. Amortized revenue		
Wages, Salaries and Employee Benefits	0.00	221,553,717.00
Current Grants, Transfers and Subsidies	13,063,100,612	42,714,541,875.00
Supplies and Consumables	918,183,322	7,667,139,553.43
Routine and Maintenance	0.00	1,234,506,266.50
Finance Costs	803,741	8,238,486.11
Other Expenses	2,740,275,226	23,010,750.00
Acquisition of property, plant, and equipment	208,636,788	768,645,831.55
Prepayment for Motor vehicles and Laboratory equipments	1,403,943,311	0.00
Intangible Asset	0.00	9,875,500.00
Work in Progress		18,465,026,585.92
Total Amortized revenue	18,334,943,000	71,112,538,565.45
14. Deferred Income		
Opening balance	13,606,483,614	0
Received during the year	232,592,121,341	178,770,300,714
Total available funds	246,198,604,954	178,770,300,714
Less: amortized grants	(18,334,943,000)	(71,112,538,565.45)
Total Deferred Income	227,863,661,954	107,657,762,148.33
15. Supplies and Consumable		
Conference Facilities	71,822,250	333,217,149.57
Communication Information	0.00	16,461,125.95
Diesel	61,215,000	1,149,460,049.64
Ground travel (bus, railway taxi, etc)	3,560,000	50,000,000
Office consumable	7,340,000	440,673,677.83
Per Diem - Domestic	637,496,066	5,470,577,515.77
Printing and Photocopying Costs	0	147,985,434.83
Rental Expenses	0.00	33,813,000.00
Tuition Fees	136,750,000	575,000.00
Utilities	0.00	24,376,599.84
Total	918,183,316	7,667,139,553.43
16. Current Grants, Transfers and Subsidies		
Grants Transfers to RUWASA	4,636,999,939	0.00
Grants Transfers to MoEST	8,426,100,673	25,628,725,125.00
Grants Transfers to MoHSW	-	17,085,816,750.00
Total	13,063,100,612	42,714,541,875.00
17. Finance Cost		
Finance cost	803,741	8,238,486.11
Total	803,741	8,238,486.11

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18. Other Expenses		
Audit Fees (Legal, Audit, Consultancy, Agency etc)	100,912,500	23,010,750.00
Audit supervision fees	352,288,000	0
Verification fees	2,287,074,726	0
Total	2,740,275,226	23,010,750.00
19. Depreciation Expenses		
Depreciation of Machinery	0.00	15,488,799.33
Depreciation of Computer, Photocopier and Printers	14,670,600	78,120,427.42
Depreciation of Bicycles and Motor cycles	0.00	3,920,023.00
Depreciation of Furniture and Fittings	3,036,445	12,838,337.81
Depreciation of Water Wells	0.00	8,809,618.79
Total	17,707,045	119,185,206.35
20. Cash and Cash Equivalents		
Cash and balances with central bank	225,328,178,686	13,658,641,209.13
Cash and balances with CRDB bank	2,635,269,847	89,402,930,406.52
Total	227,963,448,533	103,061,571,615.65
21. Prepayments		
Payment to UNOPS for Motor Vehicles	710,300,302	502,823,740
Computer and Photocopier	0	58,682,400
Laboratory Equipment	693,643,009	0
Total	1,403,943,311	561,506,140
22. Property, Plant and Equipment		
Motor Vehicle	711,460,528	502,823,739.66
Computers, Photocopiers and Printers	44,011,800	58,682,400.00
Furniture and Fittings	9,109,334	0.00
Pumps, Pipes and Fittings	0.00	4,086,841,988.23
Total	764,581,663	4,648,348,127.89
23. Work in Progress		
Water infrastructures	0.0	18,465,026,585.92
24. Intangible Assets		
Computer Software-Water Billing System	0.00	9,875,500.00
25. Gain on Exchange Translation		
BOT Bank Balance USD	98,504,337	5,977,290.43
BOT Exchange rate at 30 June 2021	2,287	2285.1
BOT Bank Balance TZS	225,328,178,686	13,658,641,209
BOT Cash books TZS	225,280,549,709	13,606,483,614
Gain due to Exchange Fluctuations	47,628,977	52,157,595
26. Fund Received for the Program		
Total funds received	232,592,121,341	178,770,300,713.78

Notes on funds received:

2020/21

6-May-21 received USD 75,926,740.00 at 2287.09 TZS/USD

173,651,334,173

3-Jun-21 received USD 25,770,089.61 at 2287.18 TZS/USD

58,940,787,168

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2019/20	
17 Sept 2019	165,523,155,629.42
24 Sept 2019	4,556,237,600.00
28 Nov 2019	8,690,907,484.36

27. Comparative Information

The Program commenced in financial year 2019/20, the Financial Statement were prepared in consolidation (MOW HQ and RUWASA HQ) in the previous financial year as RUWASA were not a Reporting Entity thus no Segment Account was prepared and this was based on the Operational Manual that requires Ministry of Water to prepare Consolidated Financial Statements for the Programme. In 2020/21, during the Mission with the World Bank, The Operational manual was revised and it was agreed and Individual Financial Statement to be prepared by each Implementing Entities. With the view of the above statement is concerned and the reviewed Operational Manual, The Comparative Information of the prepared Financial Statement was based on the prepared Consolidated Financial Statement of the year ended 30 June 2019/20.

28. Segment Reporting

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements for the financial year ended 30 June 2020 of the Sustainable Rural Water Supply and Sanitation Program and the MoW Financial Statements (Coordination Unit). In doing so, adjustment has been made on the Consolidated Statement of Financial Position to enable Sustainable Rural Water supply and Sanitation to prepare their Financial Statements for the year ended 30 June 2021 basing on the closing balance of the year ended 30 June 2020.

Adjustment on the Closing Balances of the Consolidated Statement of Financial Position for the year ended 30 June 2020

Details	Consolidated Figure (2019/20)	Transferred to RUWASA (2020/21) TZS	MoW HQ TZS
ASSETS			
Current Assets			
Cash and cash equivalents	103,061,571,616	89,402,930,407	13,658,641,209
Prepayments	4,648,348,128	4,086,841,988	561,506,140
Total Current Assets	107,709,919,744	93,489,772,395	14,220,147,349
Non-current Assets			
Property, plant and equipment	649,460,625	637,314,846	12,145,779.00
Work in Progress	18,465,026,586	18,465,026,586	0.00
Intangible Assets	9,875,500	9,875,500	0.00
Total Non - current Assets	19,124,362,711	19,112,216,932	12,145,779.00
Total Assets	126,834,282,455	112,601,989,327	14,232,293,128
LIABILITIES			

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Current liabilities			
Deferred income- recurent nature			0
Total current liabilities	0	0	0
Non-Current Liabilities			
Deferred income- Capital Nature	107,657,762,148	93,489,772,395	14,167,989,753
Total non -Current liabilities	0		0
Total Liabilities	107,657,762,148	93,489,772,395	14,167,989,753
Net Assets	19,176,520,306	19,112,216,932	64,303,375
Net Assets Presented By			
Accummulated Surplus	19,176,520,306	19,112,216,932	64,303,375
TOTAL NET ASSETS	19,176,520,306	19,112,216,932	64,303,375

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29. Property, Plant And Equipment

DESCRIPTION	Cost/Revaluation						Accumulated Depreciation and Impairment			Carrying Value At 30 June, 2021
	At 01 July, 2020	Additions (monetary)ite mized	Additions (non- monetary)/pmu	Adjustments (Transfer to RUWASA)	Total Cost as at 30 June, 2021	At 01 July 2021 Depreciation	Charge during the year - Depreciation	Acc Depreciation 30 June, 2021	Adjustments (Transfer of Accumulated Depr.)	
Machinery	TZS 232,331,990	TZS 0	TZS 0	TZS (232,331,990)	TZS 0	TZS 15,488,799	TZS 0	TZS 15,488,799		TZS 0
Motor Vehicles	0	208,636,788	502,823,740		711,460,528	0	0	0	(15,488,799)	711,460,528
Furniture & Fittings	64,191,689.07	0	0	(49,009,465.07)	15,182,224	12,838,337.81	3,036,445	15,874,782.81	(9,801,865.01)	6,072,889.80
Computes, Photocopiers, Printers and Scanners	312,481,709.68	0.00	0.00	(312,481,709.68)	0	78,120,427.42	0	78,120,427.42	(78,120,427.42)	0
Motor Cycles and Bicycles	27,496,161	0.00	0.00	(27,496,161)	0.00	3,028,023.00	0	3,028,023.00	(3,028,023)	0
Office Equipments	0	0	58,682,400		58,682,400	0	14,670,600	14,670,600		44,011,800
Water Wells	132,144,281.80	0	0	(132,144,281)	0.00	8,809,618	0	8,809,618	(8,809,618)	0
Total	768,645,831.55	208,636,788	561,506,140	(753,463,606)	785,325,152	118,285,205.23	17,707,045	135,992,250.23	(115,248,732.42)	764,581,662
DESCRIPTION	Cost/Revaluation						Accumulated Depreciation and Impairment			Carrying Value At 30 June, 2020
	At 01 July, 2019	Additions (monetary)ite mized	Additions (non- monetary)/pmu	Adjustments (Transfer to RUWASA)	Total Cost as at 30 June, 2020	At 01 July 2019 Depreciation	Charge during the year - Depreciation	Acc Depreciation 30th June, 2020	Adjustments (Transfer of Accumulated Depr.)	
Machinery	TZS 0	TZS 232,331,990.0	TZS 0	TZS 0	TZS 232,332,990	TZS 0	TZS 15,488,799.33	TZS 15,488,799.330		TZS 216,843,190.67
Motor Vehicles	0	0	0		0	0	0	0		0
Furniture & Fittings	0	64,191,689.07	0		64,191,689.07	0	12,838,337.81	12,838,337.81		51,353,351.26
Computer, Photoco piers, Printer and Scanner	0	312,481,709.6 8	0		312,481,709.68	0	78,120,427.42	78,120,427.42		234,361,282.26

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Motor Cycles and Bicycles	0	27,496,161	0	27,496,161.00	0	3,028,023.00	3,028,023.00	23,568,138.00
Water Wells	0	132,144,281.80	0	132,144,281.80	0	8,809,618.79	8,809,618.79	123,334,663.01
Total	0	768,645,831.55	0	768,645,831.55	0	119,185,206.35	119,185,206.35	649,460,625.20

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NOTES TO THE FINANCIAL STATEMENTS (Cont...)

30. Reconciliation of Surplus with Net Cash flow from Operating Activities

The Government through Circular No. 11 of 2014/15 adopted a direct method in reporting cash flows from operating activities in line to Para 28 & 29 of IPSAS 2. This option as per the referred standard requires reporting entities to provide a reconciliation of the surplus/deficit from ordinary activities with the net cash flow from operating activities as per Table 11 below.

Table 3: Reconciliation of Surplus with Net Cash flow from Operating Activities

Details	2021	2020
Surplus for the year	1,642,502,038	625,809,514
Non-Cash Movements		
Add: Depreciation Expense	17,707,045	3,036,445
Add: Increase in Deferred Revenue	214,257,178,335	13,606,483,614
Less: Gain on Exchange Translation	(47,628,977)	(52,157,595)
Net Cash Inflow from operating Activities	215,869,758,440	14,183,171,977

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31. STATEMENT OF PERFORMANCE FOR THE FINANCIAL YEAR 2020/2021-DEVELOPMENT EXPENDITURES									
Annual Physical Activity	CUMMULATIVE STATUS ON MEETING THE PHYSICAL ACTIVITY								
Planned Activity	Actual Progress	Estimated % completed	On track	At Risk	Off track	Annual Estimates (TZS)			
						Final Budget	Actual Releases from 1st July 2020 to 30th June 2021	Cumulative Expenditure 1st July 2020 to 30th June 2021	Variance (App Budget Vs Actual)
1	2	3	4	5	6	7	8	9	
Supply of Office operations and Administrative	The Supply of Office operations and Administrative have not yet done by June 2021	50%	✓			210,000,000.00	210,000,000.00	98,760,000.00	111,240,000.00
To review Budget and Plans in order to be in line with the Program objective	The review of the budget and plans have not yet done by June 2021	0%	✓			162,150,000.00	162,150,000.00	0	162,150,000.00
Conduct quarterly spot checks to enhance financial performance and Management of the Program.	The support quarterly spot checks to enhance financial performance and Management of the Program have done partial by June 2021	46%	✓			261,000,000.00	261,000,000.00	121,000,000.00	140,000,000.00
Support the internal audit to carry out the Quarterly review of the reports issued by the implementers for quality assurance and risk management	The review of the budget and plans have not yet done by June 2021	100%	✓			151,155,000.00	151,155,000.00	151,155,000.00	
conduct Program audit & verification	Monitoring of program activities has been conducted	100%	✓			180,000,000.00	180,000,000.00	55,912,000.00	124,088,000.00

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	partially as planned by June 2021							
training on financial management, reporting, monitoring and evaluation in Regions and Districts	Safety gears have not been procured by June 2021	50%	✓		126,960,000.00	126,960,000.00	61,000,000.00	65,960,000.00
To strengthen Environmental impact assessment and reinforce Human Resource capacity for proper implementation of NSC	Communication tools have been procured and facilitated	100%	✓		63,240,000.00	63,240,000.00	63,240,000.00	
Conduct quarterly spot check to verify implementation of the program at all levels in 86 selected regions	Big Notes board/ Writing board has been procured by June 2021	100%	✓		5,760,000.00	5,760,000.00	5,760,000.00	
to conduct supervision by steering committee and ministry high level	Camera procured by June 2021	70%	✓		248,720,000.00	248,720,000.00	148,720,000.00	100,000,000.00
Conduct quarterly steering committee meeting	Workshop I&II conducted by June 2021	40%	✓		138,560,000.00	138,560,000.00	59,774,458.63	78,785,541.37
Facilitate the participation into national and international conferences	To Facilitate the participation into national and international conferences have not yet done by June, 2021	0%	✓		286,600,000.00	286,600,000.00	0	286,600,000.00
Training on Procurement issues Regional and District	Training on Procurement issues Regional and District have not yet done by June, 2021	0%	✓		422,800,000.00	422,800,000.00	0	422,800,000.00
facilitate procurement activities of the program	Procurement activities of the	22%	✓		118,080,000.00	118,080,000.00	118,080,000.00	

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	program have been done by June 2021								
conduct 5 days annual TWG meetings to share updates and challenges in Program management at all levels	The annual TWG meetings to share updates and challenges in Program management at all levels have partial done by June 2021	37%	✓			262,230,000.00	262,230,000.00	68,500,000.00	193,730,000.00
Grievance ad complain handling echanism established and operational	The Grievance ad complain handling echanism establishe d and operation al have not yet done by June, 2021	0%	✓			50,400,000.00	50,400,000.00		50,400,000.00
conduct training to regioanal level on Grievance Redress Mechanism and Develop GRM Teams at District level	The training to regioanal level on Grievance Redress Mechanis m and Develop GRM Teams at District levelhave not yet done by June, 2021	20%	✓			480,000,000.00	480,000,000.00	60,000,000.00	420,000,000.00
Develop and improved Gender Action Plan, train and dissemination by the support from tanzania Gender Network Progra	The Developm ent and improvem ent of Gender Action Plan, train and dissemina tion by the support from tanzania Gender Network Programh ave not yet done	0%	✓			53,000,000.00	53,000,000.00	0	53,000,000.00

MINISTRY OF WATER - VOTE 49
SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	by June, 2021							
TZ-MOW-69883-CS-QCBS/Verification of the Sustainable Rural Water supply and Sanitation program for 2019-2021	The verification activities have been done by June 2021	100%			2,855,997,618.37	2,855,997,618.37	2,855,997,618.37	
TZ-MOW-154120-GO-UN / Supply of four (4) Motor Vehicles	The four vehicles for water institute have been procured by June, 2021	100%	✓		710,300,302.00	710,300,302.00	710,300,302.00	
TZ-MOW-154813-GO-RFQ / Procurement of Water Well Drilling Laboratory Equipment, Pipe testing equipment and Meter Test Bench	The Procurement of Water Well Drilling Laboratory Equipment, Pipe testing equipment and Meter Test Bench have been done by June 2021	100%	✓		693,643,009.00	693,643,009.00	693,643,009.00	
Fund transferred to Implementing Entities	All fund received transferred to MOHCDC	100%	✓		225,111,525,411.43	225,111,525,411.43	13,063,100,612.00	212,048,424,799
Grand Total					232,592,121,340.80	232,592,121,340.80	18,334,943,000.00	214,257,178,340