

2.0 AUDIT REPORT ON THE FINANCIAL STATEMENTS

To: The Accounting Officer,
Office of the Treasury Registrar,
33 Samora Avenue,
P.O. Box 3193,
DAR ES SALAAM.

RE: REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE OFFICE OF THE TREASURY REGISTRAR - VOTE 07 FOR THE YEAR ENDED 30TH JUNE, 2014

Introduction

I have audited the Financial Statements of the Office of Treasury Registrar (Vote 7) Comprises of the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows, Statement of Changes in Net Assets and Accounting Policies and Notes to the Financial Statements for the year ended 30th June, 2014 as shown in Annexure I of this report.

Management Responsibility for the Financial Statements

The preparation of the financial statements is the responsibility of the management of the Office of Treasury Registrar as per the Statement of Management responsibility on the Financial Statements enclosed in this report as Annexure II.

Sect. 25(4) of the Public Finance Act No.6 of 2001 (revised 2004), places responsibility on the Accounting Officer to prepare financial statements for each financial year which presents true and fair view of the financial position, financial performance and cash flows for the year then ended. It also, requires management to ensure that the reporting entity keeps proper accounting records, which will disclose with reasonable accuracy its financial position of the reporting entity and its responsibility in safeguarding the assets of the reporting entity.

Responsibilities of the Controller and Auditor General

My responsibility as an auditor is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions and such other procedures I considered necessary in the circumstances. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, I considered the internal control relevant to the Office of Treasury

Registrar's preparation and fair presentation of the financial statements 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 Office of Treasury Registrar internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In addition, Sect. 10 (2) of the PAA No. 11 of 2008 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards and that; reasonable precautions have been taken to safeguard the collection of revenue, receipt, custody, disposal, issue and proper use of public property, and that the law, directions and instructions applicable thereto have been duly observed and expenditures of public monies have been properly authorized.

Further, Sect 48(3) of the Public Procurement Act No.7 of 2011 requires me to state in my annual audit report whether or not the auditee has complied with the provisions of the Law and its Regulations.

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

Unqualified opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of Treasury Registrar as at 30th June 2014, and its financial performance and its cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) under the Accrual basis of accounting.

Emphasis of matter

Without qualifying my opinion, I draw attention to the users of this report on the following matter:

Accounts Payable

As at 30 June 2014, the Office of Treasury Registrar reported payables of TZS.1,289,287,101,019 in the Statement of Financial Position and Note 64. I was informed that, among the payables amounting to TZS.823,666,200,721 originated from compensations and pensions, court rulings and expired guarantees that the Government granted to Companies. The aging analysis indicated that the whole amount of TZS.1,289,287,101,019 was outstanding for more than a year and included non investment obligations. I am concerned with the liquidity during settlement of such payables and the time they will be settled.

Report on Other Legal and Regulatory Requirements

Compliance with Procurement Legislation

In view of my responsibility on the procurement legislation, and taking into consideration the procurement transactions I have reviewed as part of this audit. I state that, the Office of Treasury Registrar has generally complied with the requirements of the PPA No. 7 of 2011 and its underlying Regulations of 2013.

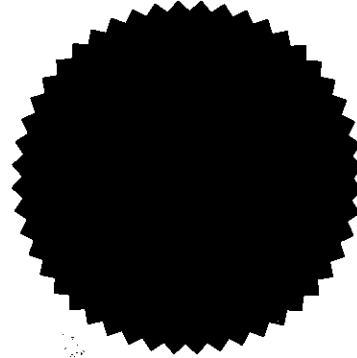

Prof. Mussa Juma Assad
CONTROLLER AND AUDITOR GENERAL

National Audit Office,
Dar Es Salaam.

March, 2015

Copy: The Chief Secretary,
State House,
P.O. Box 9120,
1 Barack Obama Road
11400 DAR ES SALAAM.

Permanent Secretary and Paymaster General,
Ministry of Finance,
P.O. Box 9111,
1 Madaraka Street
11468 DAR ES SALAAM.



Audited Financial Statements and Notes to the Financial Statements

THE UNITED REPUBLIC OF TANZANIA
THE OFFICE [VOTE 07]

STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR THE YEAR ENDED 30TH JUNE 2014.

Section 25(4) of Public Finance Act 2001 (Revised 2004) requires management to prepare financial statements for each financial year, which give a true and fair view of receipts and payments of the reporting entity as at the end of the financial year. It also requires management to ensure the reporting entity keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the reporting entity. They are also responsible for safeguarding the assets of the reporting entity.

Management accept responsibility for the financial statement, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with Accrual Basis International Public Sector Accounting Standards (IPSAS), in the manner required by the Section 25(4) of the Public Finance Act No.6 of 2001 (Revised 2004).

Management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Office of The Treasury Registrar. Management further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statement as well as adequate systems of the internal control. Management is responsible for safeguarding the assets of the reporting entity and hence for taking reasonable steps for the prevention and detection of frauds, errors and other irregularities.

To the best of our knowledge, the system of internal control has been operated adequately throughout the reporting period and that the records and underlying accounts provide a reasonable basis for the preparation of the Financial Statement for the year ended 30th June 2014.

We accept responsibility for the integrity of the financial statement, the information it contain, and its compliance with the Public Finance Act No. 6 of 2001 (Revised 2004) and instructions from the Treasury.

Procurement of goods, works, consultancy, and non –consultancy services to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act No.7 of 2011.

Nothing has come to the attention of the management to indicate that the Office of The Treasury Registrar will not remain a going concern for at least the next twelve months from the date of this statement.



Mwakibinga E.P. Mihalale
Accounting Officer

30th sept 2014
Date

THE UNITED REPUBLIC OF TANZANIA
TREASURY REGISTRAR(VOTE007)

STATEMENT OF FINANCIAL POSITION
AS AT 30th June 2014

	NOTE	2014	2013
ASSETS			
Current Assets			
Cash and Cash Equivalents	49	0.00	0.00
Receivables	51	0.00	0.00
Inventories	52	46,093,468.00	0.00
Prepayments	53	279,611,150.36	0.00
Total Current Assets		325,704,618.36	0.00
Non-Current Assets			
Financial Assets	58	504,115,680,660.56	0.00
Property, Plant and Equipment	59	55,945,700.00	0.00
Investments Properties	60	19,367,470,327,160.00	0.00
Intangible Assets	61	170,312,333.73	0.00
Total Non-Current Assets		19,871,812,265,854.30	0.00
TOTAL ASSETS		19,872,137,970,472.70	0.00
LIABILITIES			
Current Liabilities			
Payables	64	1,289,287,101,018.63	0.00
Recurrent Deferred Income	71	46,093,468.00	0.00
Total Current Liabilities		1,289,333,194,486.63	0.00
Non-Current Liabilities			
Development Deferred Income	83	0.00	0.00
Total Non-Current Liabilities		0.00	0.00
TOTAL LIABILITIES		1,289,333,194,486.63	0.00
Net Assets		18,582,804,775,986.10	0.00
NET ASSETS/EQUITY			
Capital contributed by:			
Taxpayers Funds	90	19,872,091,877,004.70	0.00
Accumulated surpluses/(deficits)		(1,289,287,101,018.63)	0.00
TOTAL NET ASSETS/EQUITY		18,582,804,775,986.10	0.00


Accounting Officer

30th sept 2014
Date

THE UNITED REPUBLIC OF TANZANIA
 TREASURY REGISTRAR(VOTE 007)
 STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 30th June 2014

(Classification of Expense by Nature)

		2014	2013
	NOTE	TZS	TZS
REVENUE			
Exchequer Revenue	36	62,170,449,459.84	0.00
TOTAL REVENUE		62,170,449,459.84	0.00
EXPENSES AND TRANSFERS			
Expenses			
Wages,Salaries and Employee Benefits	18	1,400,487,013.93	0.00
Supplies and Consumable Goods	20	1,291,230,896,034.57	0.00
Routine Maintenance and Repair	40	50,373,835.00	0.00
Other Expenses	41	58,775,793,594.97	0.00
TOTAL Expenses		1,351,457,550,478.47	0.00
TOTAL EXPENSES AND TRANSFERS		1,351,457,550,478.47	0.00
Surplus/(deficit) for the period		(1,289,287,101,018.63)	0.00


 Accounting Officer

30th sept 2014
 Date

THE UNITED REPUBLIC OF TANZANIA
TREASURY REGISTRAR(VOTE 007)

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30th JUNE 2014

(Classification of Expense by Function)

	2014	2013
	TZS	TZS
REVENUE		
Exchequer Revenue	62,170,449,459.84	0.00
TOTAL REVENUE	62,170,449,459.84	0.00
EXPENSES AND TRANSFERS		
Expenses		
Accrued Expenses	1,289,287,101,018.63	0.00
Administration and HR Management	62,170,449,459.84	0.00
Legal Services Unit	0.00	0.00
Total Expenses	1,351,457,550,478.47	0.00
TOTAL EXPENSES AND TRANSFERS	1,351,457,550,478.47	0.00
Surplus/(deficit) for the period	(1,289,287,101,018.63)	0.00



Accounting Officer

30th Sept 2014
Date

THE UNITED REPUBLIC OF TANZANIA
TREASURY REGISTRAR (VOTE 007)

STATEMENT OF CHANGES IN NET ASSET/EQUITY
FOR THE YEAR ENDED 30 June, 2014

	Tax payer's fund	Revaluation Surplus	Accumulated Surplus/(Deficit)	Total
Opening balance	0.00	0.00	0.00	0.00
Capital Fund Received	335,556,850.36	-	-	335,556,850.36
Adjustment of Taxpayers fund	19,872,035,931,304.70	-	0.00	19,872,035,931,304.70
Revaluation surplus/(Deficit)	0.00	0.00	0.00	0.00
Suplus/(Deficit) during the year	-	-	(1,289,287,101,018.63)	(1,289,287,101,018.63)
Closing Balance	19,872,371,488,155.10	0.00	(1,289,287,101,018.63)	18,583,084,387,136.40

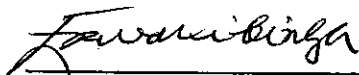
Accountant General

Date

UNITED REPUBLIC OF TANZANIA
TREASURY REGISTRAR (VOTE007)

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30TH June 2014

	2014	2013
	TZS	TZS
CASH FLOW FROM OPERATING ACTIVITIES		
RECEIPTS		
Exchequer Issues	62,854,248,813.00	0.00
TOTAL RECEIPTS	62,854,248,813.00	0.00
PAYMENTS		
Wages,Salaries and Employee Benefits	1,400,487,013.93	0.00
Supplies and Consumable Goods	1,989,888,483.94	0.00
Routine Maintenance and Repair	50,373,835.00	0.00
Other Expenses	58,775,793,594.97	0.00
TOTAL PAYMENTS	62,216,542,927.84	0.00
Net Cash Flow From Operating Activities	637,705,885.16	0.00
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/Construction of Non-Current Assets	335,556,850.36	0.00
Net Cash Flow From Investing Activities	335,556,850.36	0.00
Net increase/(decrease) in cash	302,149,034.80	0.00
Cash to be Surrendered to Holding Account	300,000,000.00	0.00
Cash to be Surrendered to PMG	2,149,034.80	0.00
Cash at the beginning of the Year	0.00	0.00
Cash at the end of the Period	0.00	0.00



Accounting Officer

30th sept 2014

Date

THE UNITED REPUBLIC OF TANZANIA

TREASURY REGISTRAR(VOTE007)

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMDUNT

FOR THE YEAR ENDED 30th June 2014

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

	Actual Amount (A) TZS	Final Budget(B) TZS	Original Budget TZS	Difference(B-A) TZS
CASH INFLOWS				
Exchequer Issues				
TOTAL RECEIPTS	62,854,248,813.00	66,538,807,920.00	39,753,442,000.00	3,684,559,107.00
	<u>62,854,248,813.00</u>	<u>66,538,807,920.00</u>	<u>39,753,442,000.00</u>	<u>3,684,559,107.00</u>
CASH OUTFLOWS				
Operations				
Wages,Salaries and Employee Benefits	1,400,487,013.93	1,413,109,400.00	549,542,000.00	12,622,386.07
Supplies and Consumable Goods	1,989,888,483.94	3,492,790,000.00	4,157,090,000.00	1,502,901,516.06
Routine Maintenance and Repair	50,373,835.00	121,800,000.00	366,800,000.00	71,426,165.00
Other Expenses	58,775,793,594.97	60,974,608,520.00	34,017,510,000.00	2,198,814,925.03
Capital Expenditures				
Purchase/Construction of Non-Current Assets	335,556,850.36	536,500,000.00	662,500,000.00	200,943,149.64
TOTAL PAYMENTS	<u>62,552,099,778.20</u>	<u>66,538,807,920.00</u>	<u>39,753,442,000.00</u>	<u>3,986,708,141.80</u>
NET CASH FLDWS	<u>302,149,034.80</u>	<u>0.00</u>	<u>0.00</u>	<u>(302,149,034.80)</u>


Accounting Officer

50th Sept 2014
Date

THE UNITED REPUBLIC OF TANZANIA
 TREASURY REGISTRAR (VOTE 007)
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30th June 2014

	2014	2013
	Actual Receipts/Expenditure	Actual Receipts/Expenditure
	TZS	TZS
Note 18 - Wages,Salaries and Employee Benefits		
Civil Servants	385,735,613.93	0.00
Honoraria	590,000,000.00	0.00
Leave Travel	9,001,400.00	0.00
Outfit Allowance	900,000.00	0.00
Sitting Allowance	414,850,000.00	0.00
Total	1,400,487,013.93	0.00
Note 20 - Supplies and Consumable Goods		
Accrued Supplies and Consumable Goods	1,289,287,101,018.63	0.00
Advertising and Publication	14,890,000.00	0.00
Air Travel Tickets	57,156,000.00	0.00
Computer Supplies and Accessories	167,459,055.00	0.00
Conference Facilities	701,786,208.50	0.00
Diesel	15,495,932.00	0.00
Food and Refreshments	37,475,812.07	0.00
Ground travel (bus, railway taxi, etc)	67,300,000.00	0.00
Internet and Email connections	39,624,066.67	0.00
Newspapers and Magazines	18,446,187.26	0.00
Office Consumables	49,255,760.00	0.00
Per Diem - Domestic	146,780,000.00	0.00
Printing and Photocopy paper	8,100,000.00	0.00
Prodn & Printing of Training Materials	10,000,000.00	0.00
Remuneration of Instructors	183,166,731.50	0.00
Research and Dissertation	12,554,103.00	0.00
Training Allowances	1,403,376.00	0.00
Training Materials	1,075,000.00	0.00
Tuition Fees	132,708,582.74	0.00
Upkeep Allowances	279,118,201.20	0.00
Total	1,291,230,896,034.57	0.00
Note 36 - Exchequer Revenue		
Development Exchequer Received	742,854,300.00	0.00
Recurrent Exchequer Received-OC	61,041,859,545.91	0.00
Recurrent Exchequer Received-PE	385,735,613.93	0.00
Total	62,170,449,459.84	0.00
Note 40 - Routine Maintenance and Repair		
Fax machines & other office equipment	10,554,200.00	0.00
Motor Vehicles and Water Craft	32,819,635.00	0.00
Photocopiers	7,000,000.00	0.00
Total	50,373,835.00	0.00
Note 41 - Other Expenses		

	2014	2013
	Actual Receipts/Expenditure	Actual Receipts/Expenditure
	TZS	TZS
Contingent Liabilities	57,458,283,594.97	0.00
Parastatal Rehabilitation	1,317,510,000.00	0.00
Total	58,775,793,594.97	0.00
Note 49 - Cash and Cash Equivalents		
Ep.9.CPS Development Exp. Electronic	0.00	0.00
Ep.9.CPS Recuee.Expend.Electronic	0.00	0.00
Total	0.00	0.00
Note 51 - Receivables		
Receivable	0.00	0.00
Total	0.00	0.00
Note 52 - Inventories		
Consumables	1,419,000.00	0.00
Fuels Spare Parts and Tyres	18,504,068.00	0.00
IT and Computer Accessories	24,376,900.00	0.00
Stationery	1,793,500.00	0.00
Total	46,093,468.00	0.00
Note 53 - Prepayments		
Prepayment Asset	279,611,150.36	0.00
Prepayment-Asset	0.00	0.00
Total	279,611,150.36	0.00
Note 58 - Financial Assets		
Arrears on Divident	4,245,000,000.00	0.00
Outstanding Loans non Current	499,870,680,660.56	0.00
Total	504,115,680,660.56	0.00
Note 59 - Property, Plant and Equipment		
Civil Works	0.00	0.00
Computers and Photocopiers	55,945,700.00	0.00
Total	55,945,700.00	0.00
Note 60 - Investments Properties		
Investment	19,367,470,327,160.00	0.00
Total	19,367,470,327,160.00	0.00
Note 61 - Intangible Assets		
Computer Software	170,312,333.73	0.00
Total	170,312,333.73	0.00
Note 64 - Payables		
Supplies of Goods/Services	1,289,287,101,018.63	0.00
Total	1,289,287,101,018.63	0.00
Note 71 - Recurrent Deferred Income		
Recurrent Deferred Income	46,093,468.00	0.00

	2014	2013
	Actual Receipts/Expenditure	Actual Receipts/Expenditure
	TZS	TZS
Total	46,093,468.00	0.00
Note 83 - Development Deferred Income		
Development Deferred Income	0.00	0.00
Total	0.00	0.00
Note 90 - Taxpayers Funds		
Civil Works	0.00	0.00
Computers and Photocopiers	55,945,700.00	0.00
Taxpayer's fund	19,872,035,931,304.70	0.00
Total	19,872,091,877,004.70	0.00

[Handwritten Signature]

Accounting Officer

30th SEPT 2014

Date