



THE UNITED REPUBLIC OF TANZANIA  
PRESIDENT OFFICE-REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
NJOMBE DISTRICT COUNCIL



FINANCIAL STATEMENT POSITION AS AT 30 TH JUNE, 2023

Note	2023 TZS	2022 TZS
<b>ASSETS</b>		
<b>Current Asset</b>		
Cash and Cash Equivalents	62 4,652,269,591	3,186,618,503
Receivables	67 150,711,993	136,943,111
Prepayments	69 101,904,400	275,402,854
Inventories	70 263,634,993	331,800,623
Other Financial Assets	71 53,384,100	39,318,350
<b>Total Current Asset</b>	<b>5,221,905,077</b>	<b>3,970,083,441</b>
<b>Non-Current Asset</b>		
Property, Plant and Equipment	77 28,729,409,197	27,064,426,831
Biological Assets	79 150,034,560	144,264,000
Work In Progress	82 6,330,935,424	2,995,445,830
Equity Investments	83 10,000,000	10,000,000
<b>Total Non-Current Asset</b>	<b>35,220,379,181</b>	<b>30,214,136,661</b>
<b>TOTAL ASSETS</b>	<b>40,442,284,258</b>	<b>34,184,220,102</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables and Accruals	89 1,625,646,757	1,531,914,912
Provisions	92 57,874,462	242,814,270
Deferred Income	93 1,128,546,333	1,751,161,897
Deposits	94 1,071,343,886	287,716,748
<b>Total Current Liabilities</b>	<b>3,883,411,438</b>	<b>3,813,607,827</b>
<b>TOTAL LIABILITIES</b>	<b>3,883,411,438</b>	<b>3,813,607,827</b>
<b>NET ASSETS</b>		
<b>NET ASSETS/EQUITY</b>		
Capital Contributed by:		
Other Reserves	64,420,100	64,420,100
Accumulated Surpluses / Deficits	36,494,452,720	30,306,192,175
<b>TOTAL NET ASSETS/EQUITY</b>	<b>36,558,872,820</b>	<b>30,370,612,275</b>

Christopher A Sanga  
District Executive Director  
Date: 28/02/2024  
Mkurugenzi Mtendaji  
Halmashauri ya Wilaya  
NJOMBE

Hon. Valentino A. Hongoli  
Council Chairperson  
Date: 28/02/2024

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE, 2023

Note	2023 TZS	2022 TZS
<b>Classification of Expenses by Nature</b>		
<b>REVENUE</b>		
Revenue		
Revenue from Exchange Transactions	17 51,630,530	55,250,493
Levies	18 2,118,849,436	3,569,682,015
Fees, Fines, Penalties and Forfeits	19 282,368,160	106,715,000
Social Contributions (Revenue)	20 202,326,799	92,770,906
Fair value Gains on Assets and Liabilities	24 5,770,560	0
External Assistance	25 4,552,865,415	90,580,300
Other Revenue	31 402,381,810	21,006,902,968
Subvention from other Government entities	32 20,519,360,015	24,921,901,682
<b>Total Revenue</b>	<b>28,135,552,725</b>	<b>24,921,901,682</b>
<b>TOTAL REVENUE</b>	<b>28,135,552,725</b>	<b>24,921,901,682</b>
<b>EXPENSES AND TRANSFERS</b>		
Expenses		
Wages, Salaries and Employee Benefits	34 15,355,627,707	14,556,862,342
Use of Goods and Service	35 3,377,886,575	2,613,061,202
Maintenance Expenses	36 1,128,608,892	1,947,303,623
Depreciation of Property, Plant and Equipment	37 949,959,604	996,004,903
Other Expenses	52 30,967,801	34,148,003
Social Benefits	56 780,383,552	874,828,465
<b>Total Expenses</b>	<b>21,623,434,131</b>	<b>21,022,208,538</b>
Transfer	59 0	513,562,394
Grants and Transfers	60 323,858,048	0
Other Transfers	323,858,048	513,562,394
<b>Total Transfer</b>	<b>21,947,292,179</b>	<b>21,535,770,932</b>
<b>TOTAL EXPENSES AND TRANSFERS</b>	<b>6,188,260,544</b>	<b>3,386,130,750</b>
Surplus / Deficit		

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Date: 28/02/2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2023

	2023 TZS	2022 TZS
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>RECEIPTS</b>		
Subvention from other Government entities	18,434,247,180	21,242,551,375
Social Contributions (Revenue)	202,326,799	92,770,906
Revenue Grants	5,837,538	55,250,493
Revenue from Exchange Transactions	51,630,530	90,580,300
Other Revenue	402,381,810	3,569,682,015
Levies	2,118,849,436	72,700,544
Increase in Deposit	783,627,138	106,715,000
Fees, Fines, Penalties and Forfeits	154,128,867	0
External Assistance	4,552,865,415	23,230,250,933
<b>Total Receipts</b>	<b>24,709,894,713</b>	<b>14,586,492,143</b>
<b>PAYMENTS</b>		
Wages, Salaries and Employee Benefits	15,350,103,279	2,360,135,190
Use of Goods and Service	2,911,895,362	874,828,465
Social Benefits	780,383,552	34,148,003
Other Transfers	299,239,232	1,947,303,623
Other Expenses	30,967,801	513,562,394
Maintenance Expenses	1,128,608,892	20,316,469,817
Grants and Transfers	20,495,198,220	4,913,781,117
<b>Total Payments</b>	<b>6,214,696,493</b>	<b>4,913,781,117</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>18,495,198,220</b>	<b>14,586,492,143</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investing Activities	(3,599,232,644)	(2,401,555,467)
Payment for Work in Progress	(86,209,700)	0
Advance Payment for Acquisition of Property Plant and Equipment	(1,063,403,061)	(1,295,433,130)
Acquisition of Property, Plant and Equipment	(4,749,045,405)	(3,996,988,577)
Net Investing Activities	(4,749,045,405)	(3,996,988,577)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(4,749,045,405)</b>	<b>(3,996,988,577)</b>
Net Increase	1,405,451,088	916,792,520
Cash Surrendered to Holding Account	3,186,618,903	2,269,825,983
Cash and cash equivalent at beginning of period	4,652,269,591	2,186,618,503
Cash and cash equivalent at end of period		

Christopher A Sanga  
District Executive Director  
Date: 28/02/2024

Hon. Valentino A. Hongoli  
Council Chairperson  
Date: 28/02/2024

REPORT ON THE AUDIT OF FINANCIAL STATEMENT

Unqualified Opinion

I have audited the financial statements of Njombe District Council which comprise the statement of financial position as at 30 June 2023, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Njombe District Council as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Local Government Finance Act, Cap. 290.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Njombe District Council in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBA) 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.

2. Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution of Njombe District Council for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that, except for the matters described below, Budget formulation and execution of Njombe District Council is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

Inadequate budget provision for payment of outstanding liabilities TZS 1,574,098,595

I noted that, as at 30 June 2023 the Council had outstanding liabilities of TZS 1,574,098,595 but approved budget for settling liabilities for the financial year 2023/24 was TZS 195,084,715 representing a mere 7% of the total debts. This contradicts Para 78 of the Budget Guideline for the financial year 2022/23, which mandates accounting officers to allocate budgets for development plans, salaries, essential office operations, and payments of related to debts to avoid accumulating debts, interest, and fines.

Charles E. Kichere  
Controller and Auditor General,  
Dodoma, United Republic of Tanzania.  
March 2024

