



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



UONGOZI INSTITUTE

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2022**

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March 2023

AR/CG/UONGOZI/2021/2022

About the National Audit Office

Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap 418.

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.

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

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Abbreviations

IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
LAAC	Local Authorities Accounts Committee
PAC	Public Accounts Committee
PAR	Public Audit Regulation
PFA	Public Finance Regulations
PPA	Public Procurement Act
PPR	Public Procurement Regulations

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Chairperson of the Board of Directors,
The Institute of African Leadership for Sustainable Development,
(UONGOZI Institute),
P.O. Box 105753,
DAR ES SALAAM

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Institute of African Leadership for Sustainable Development (UONGOZI Institute), which comprise the statement of financial position as at 30 June 2022, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of UONGOZI Institute as at 30 June 2022, 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, Cap. 348.

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 UONGOZI Institute 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.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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 of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap 418 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on procurement of works, goods and services in the UONGOZI Institute for the financial year 2021/22 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, except for the matter described below, procurement of goods, works and services of UONGOZI Institute is generally in compliance with the requirements of the Public Procurement laws.

Tenders included in the procurement plan but not executed TZS 1,004,999,000

Reg. 69(3) of Public Procurement Regulations, 2013 states that, "A procuring entity shall forecast its requirements for goods, services and works as accurately as is practicable with particular reference to services or activities already programmed in the annual work plan and included in the annual estimates".

To the contrary, my review of Annual Procurement Plan and Procurement report for the financial year ended 30 June, 2021 noted that, Tenders worth TZS. 1,004,999,000 were included in the procurement plan, however those tenders were not implemented up to 30th June 2022 with different reasons.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the UONGOZI Institute for the financial year 2021/22 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of UONGOZI Institute is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



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



March 2023

2.0 FINANCIAL STATEMENTS

COMMENTARY ON THE FINANCIAL STATEMENTS

1. Introduction

The financial statements for the financial year 2021/2022 provide a record of the financial performance, financial position, cash flows, change in net assets/equity, and notes to the financial statements of UONGOZI Institute for the year ended 30 June, 2022.

2. Board of Directors

During the year under review, the members of the Board of Directors of the Institute were as below.

Name	Position	Other roles
1. Amb. Ombeni Sefue	Chairperson	Former Chief Secretary, Government of Tanzania
2. Dr Laurean Ndumbaro	Deputy Chairperson	Permanent Secretary of the President's Office, Public Service Management & Good Governance.
3. H.E. Amb. Riita Swan	Member	Former Ambassador of Finland in Tanzania
4. Mr. David Walker	Member	Former Director of the European School of Administration, Belgium
5. Ms. Iina Soiri	Member	Education & Science Counsellor of Embassy of Finland in South Africa
6. Prof. Penina Mlama	Member	Professor at the University of Dar es Salaam
7. Ms. Susan Mlawi	Member	Former Permanent Secretary, Government of Tanzania
8. Dr Hamis Mwinyimvua	Member	Former Permanent Secretary, Government of Tanzania
9. Prof. Samuel Wangwe	Member	Principal Research Associate for Economic and Social Research Foundation (ESRF) and Research on Policy Alleviation (REPOA)

The Board Members were appointed by the President of the United Republic of Tanzania, H.E. Samia Suluhu Hassan, on 13 May 2021, for a period of three (3) years. The Board held three (3) meetings during the year under review.

The Board established the Audit and Risk Committee to support the Board in oversight for the financial statements of the Institute and risk management. The members of the Committee were:

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Name	Position	Other roles
1. Dr Hamis Mwinyimvua	Chairperson	Former Permanent Secretary, Government of Tanzania
2. Ms. Susan Mlawi	Member	Former Permanent Secretary, Government of Tanzania
3. Mr. David Walker	Member	Former Director of the European School of Administration, Belgium
4. Mr Kadari Singo	Member	Chief Executive Officer & Ex. Officio Member

The Audit and Risk Committee members were appointed on 19 June 2021. They continued serving during the year under review.

3. Summary

4. Financial performance

4.1 Revenue

During the year that ended 30 June 2022, the Institute amortised grant revenues of TZS 6,634,309,244 compared with TZS 5,629,919,036 amortised in the previous year. There is an increase of TZS 1,004,390,208, which is due to increase in the grant from the Government of Tanzania.

Other income collected was TZS 968,842,163 in 2021/22. In 2020/21, TZS 813,439,388 was collected. There is increase of TZS 155,402,775, which is attributed to increase in receipts from training fees.

4.2 Expenses

4.2.1 Capacity Development

Expenditure incurred in capacity development programs in 2021/22 was TZS 2,985,199,084 (2020/21: TZS 2,161,861,468). There is increase of TZS 823,337,616, due to higher number of training events conducted to respond to growth in demand for training during the year.

4.2.2 Research and Policy Dialogue

Research projects and policy forums utilised TZS 1,064,583,013 in 2021/22. TZS 1,022,967,171 were utilized in 2020/21.

4.2.3 Institute of Building and Communication

The Institute continued with its efforts to strengthen its internal institutional capacity and communication of its results; TZS 1,618,671,594 was utilised in 2021/22, which is close to the amount spent in the preceding year of TZS 1,568,225,028.

4.2.4 Office expenses

The Institute incurred TZS 1,811,544,746 in 2021/22 (2019/20: TZS 1,929,532,200) in personnel costs to support staff, office running costs, premises and board related costs. The decrease is substantially explained by lower expenses recorded in rent following

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relocation of the head office into Government property, office consumables and utilities.

5. Financial position

5.1 Cash and cash equivalents

Cash and cash equivalents were TZS 6,540,369,208 as at 30 June 2022. The balance was TZS 6,248,418,635 as at 30 June 2021.

5.2 Debtors, receivables and prepayments

Debtors, receivables and prepayments were TZS 32,223,542 as at 30 June 2022. The balance was TZS 317,385,629 as at 30 June 2021. The decrease is substantially explained by the absence of prepaid tuition fees to a partner executive education institution and interest receivable at the end of the year under review.

5.3 Inventories

Inventory value was TZS 31,356,419 as at 30 June 2022. The item had a balance of TZS 5,926,687 as at 30 June 2021. The increase is due to stock received close to the end of the year under review.

5.4 Property, furniture and equipment

The carrying value of Property, furniture and equipment as at 30 June 2022 was TZS 4,118,326,112 compared to TZS 4,189,651,621 as at 30 June 2021. The balance has been driven down by depreciation charge during the year under review.

5.5 Intangible assets

Intangible assets were TZS 2,897,986 at the end of 2021/2022 while in 2020/21 it was TZS 4,483,944; which is a decrease of TZS 1,585,958 between the two years. The decrease is due to amortisation charge for the year under review.

5.6 Total assets

The value of total assets declined slightly from TZS 10,765,866,516 in 2020/21 to TZS 10,725,173,267 in 2021/2022, due to decrease in the value of fixed assets on account of the normal depreciation charge recorded during the year under review.

5.7 Liabilities and accrued charges

Provision for liabilities and accrued charges was TZS 580,457,126 as at 30 June 2022. The balance was TZS 108,232,435 in the previous year. The increase of TZS 472,224,691 is on account of creditors and expenses that were unpaid at the end of the year.

5.8 Deferred grant revenue

At the end of the financial year 2021/22, deferred grant revenue was at TZS 783,893,557. The balance was TZS 1,367,116,813 at the end of the previous year of 2020/21. The decrease of TZS 583,223,256 is due to release of the balance during the year.

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5.9 Provision for staff gratuity

Provision for staff gratuity - current liability stood at TZS 224,560,527 at the end of the financial year 2021/22. The balance was TZS 169,347,260 in the previous year of 2020/21. The increase of TZS 55,213,267 is due to expenses incurred net of payments made during the year.

There was no change in the Provision for staff gratuity - noncurrent liability during the year, remaining at the balance of TZS 398,368,482 at the end of the financial year 2021/22.

5.10 Taxpayers' funds

As at 30 June 2022, taxpayers' funds remained at TZS 3,593,816,853, a balance which is the same as in the comparative year.

5.11 Operating reserve

At the end of the financial year 2021/22, the balance of the operating reserve remained at TZS 2,109,850,420 similar to the previous year.

5.12 Accumulated surplus

Accumulated surplus balance was TZS 3,034,226,302 as at 30 June 2022, whereas in 2020/2021 was TZS 3,019,134,252. The increase is explained by the surplus of TZS 15,092,050 recorded during the year under review.

6. Auditors

The Controller and Auditor General (CAG) is the statutory auditor for UONGOZI Institute, which is under the President's Office, pursuant to the provision of article 143 of the Constitution of United Republic of Tanzania of 1977 (revised 2005) and sections 10(1) of the Public Audit Act No. 11 of 2008.

7. Conclusion

The Institute is committed to ensure that financial management is continuously improved to enhance accountability and efficient utilisation of resources. It will continue to strengthen internal control system over assets and expenditure by minimizing and directing all expenditures to activities that eventually generate the outcome set by the strategic plan. In so doing, the Institute has continued to implement IPSASs for preparation and presentation of financial statements.

These financial statements should be read in conjunction with the underlying notes and schedules for better understanding.

STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

Public Finance Act 2001 Section 30(2) Revised Edition of 2020 requires preparation of financial statements of the reporting entity for each financial year, as at the end of the financial period, that gives a true and fair view of the state of affairs.

The Board of Directors ensures that UONGOZI Institute keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Institute, as well as adequate systems of internal financial control. The Board is also responsible for safeguarding the assets of the project and take reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Board accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Public Sector Accounting Standards (IPSASs) and Section 30(4) of the Public Finance Act 2001 Revised Edition of 2020.

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 with its Amendments (2016) together with its accompanying Regulations.

Therefore, the Board of Directors is of the opinion that the annual financial statements of UONGOZI Institute give a true and fair view of the state of the financial affairs and of its operating results for the year ended 30 June 2022.

Nothing has come to the attention of the Board to indicate that UONGOZI Institute will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board of Directors by:



Amb. Ombeni Sefue
Chairperson of the Board

Date: 03/02/2023



Kadari Singo
Chief Executive Officer

Date: 03-02-2023

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DECLARATION OF THE HEAD OF FINANCE

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Statement of Responsibility of Those Charged with Governance on the earlier page.

I, CPA Deogratias Usangira, being the Head of Finance of UONGOZI Institute hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2022 have been prepared in compliance with the applicable accounting standards and statutory requirements.

I, thus, confirm that the financial statements give a true and fair view of the financial position of UONGOZI Institute as of that date and that they have been prepared based on properly maintained financial records.

Name: Deogratias Usangira

Signature: 

Position: Director of Finance and Administration

NBAA Membership No. ACPA 2106

Date: 03-02-2023

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

ASSETS	Notes	2022/2022 TZS	2020/2021 TZS
Current Assets			
Cash and cash equivalents	10	6,540,369,208	6,248,418,635
Debtors and prepayments	11	32,223,542	317,385,629
Inventories	12	31,356,419	5,926,687
Total Current Assets		6,603,949,169	6,571,730,951
Non-Current Assets			
Property and equipment	18	4,118,326,112	4,189,651,621
Intangible assets	19	2,897,986	4,483,944
Total Non-Current Assets		4,121,224,098	4,194,135,565
Total Assets		10,725,173,267	10,765,866,516
LIABILITIES			
Current Liabilities			
Liabilities & accrued charges	13	580,457,126	108,232,435
Deferred grant revenue	14	783,893,557	1,367,116,813
Provision for staff gratuity	15	224,560,527	169,347,260
		1,588,911,210	1,644,696,508
Non-Current Liabilities			
Provision for staff gratuity	15	398,368,482	398,368,483
		398,368,482	398,368,483
Total Liabilities		1,987,279,692	2,043,064,991
NET ASSETS		8,737,893,575	8,722,801,525
Net Assets			
Capital contributed by:			
Taxpayers' funds	16	3,593,816,853	3,593,816,853
Operating reserve	17	2,109,850,420	2,109,850,420
Accumulated surplus		3,034,226,302	3,019,134,252
Total Net Assets		8,737,893,575	8,722,801,525

The financial statements on pages 11 to 25 were approved and authorised for issue by the Board of Directors on 03-02-2023 and signed on its behalf by:

OMBENI SEFUE
Chairperson
Signature: [Signature]
Date: 03/02/2023

Hamisi Mwingimwa
Director
Signature: [Signature]
Date: 03/02/2023

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STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

Revenue	Notes	2021/2022 TZS	2020/2021 TZS
Revenue grants	3	6,634,309,244	5,629,919,036
Other income	4	968,842,163	813,439,388
Total Revenue		7,603,151,407	6,443,358,424
Expenses and Transfers			
Capacity Development	5	2,985,199,084	2,161,861,468
Research and Policy Dialogue	6	1,064,583,013	1,022,967,171
Institutional Building & Communications	7	1,618,671,594	1,568,225,028
Office Expenses	8	1,811,544,746	1,929,532,200
Amortisation and Depreciation Expenses	9	108,060,920	145,070,879
Total Expenses		7,588,059,357	6,827,656,747
Surplus / (Deficit)		15,092,050	(384,298,322)

OMBENI SEFUE

Chairperson

Signature: _____

Date: _____

[Signature]

03/02/2023

Hamisi Mwingi

Director

Signature: _____

Date: _____

[Signature]


03/02/2023

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CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

Cashflow from Operating Activities	Note	2021/2022 TZS	2020/2021 TZS
Receipts			
Grants received from Governments	14	6,051,085,989	6,997,035,849
Receipts from other income sources	4	968,842,163	813,439,388
Total receipts		7,019,928,152	7,810,475,237
Payments			
Capacity Development		(2,641,142,118)	(2,196,080,323)
Research and Policy Dialogue		(863,393,669)	(1,020,480,235)
Institutional Building & Communications		(1,367,260,934)	(1,466,472,253)
Office Expenses		(1,821,031,403)	(1,870,064,739)
Total payments		(6,692,828,125)	(6,553,097,550)
Net cash from operating activities		327,100,027	1,257,377,687
Cash flows from investing activities			
Purchase of property, furniture and equipment	18	(35,149,453)	(156,944,487)
Net cash used in investing activities		(35,149,453)	(156,944,487)
Cash flows from financing activities			
Funding of Operating Reserve		-	-
Net cash used in financing activities		-	-
Net increase in Cash and cash equivalents		291,950,573	1,100,433,200
Cash & cash equivalents at the beginning of the year		6,248,418,635	5,147,985,435
Cash and cash equivalents at the end of the year		6,540,369,208	6,248,418,635

DMBENI SEFUE
Chairperson
Signature: 
Date: 03/02/2023


Hamsi Mwingi
Director
Signature: 
Date: 03/02/2023

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STATEMENTS OF CHANGES IN NET ASSETS AS AT 30 JUNE 2022

	Taxpayers' funds	Operating Reserve	Accumulated Surplus	Total
	TZS		TZS	TZS
Balance at 1 July 2021	3,593,816,853	2,109,850,420	3,019,134,252	8,722,801,525
Surplus for the year		-	15,092,050	15,092,050
Balance as at 30 June 2022	3,593,816,853	2,109,850,420	3,034,226,302	8,737,893,575
Balance at 1 July 2020	3,593,816,853	2,109,850,420	3,403,432,574	9,107,099,847
Deficit for the year			(384,298,322)	(384,298,322)
Balance as at 30 June 2021	3,593,816,853	2,109,850,420	3,019,134,252	8,722,801,525

DAMBENI SEFUE
Chairperson
Signature: 
Date: 03/02/2023

Hamisi Muringirwa
Director
Signature: 
Date: 03/02/2023

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**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED
30 JUNE 2022**

Income	Budget 2021/22 TZS	Actual 2021/22 TZS	Difference TZS	Note
Revenue Grants	7,522,902,848	6,051,085,989	1,471,816,859	(a)
Other income	1,000,745,980	968,842,163	31,903,817	
Total Income	8,523,648,828	7,019,928,152	1,503,720,676	
Expenditure				
Capacity Development	2,846,169,228	2,641,142,118	205,027,110	(b)
Research & Policy Dialogue	2,016,687,400	863,393,669	1,153,293,731	(c)
Institutional Building & Communications	1,624,779,000	1,367,260,934	257,518,066	(d)
Office Expenses	2,036,013,200	1,821,031,403	214,981,797	(e)
Total Expenditure	8,523,648,828	6,692,828,125	1,830,820,703	
Surplus	-	327,100,027	(327,100,027)	

Notes

- (a) Actual grants received during the year 2021/22 was TZS 6,051,085,989; Development and Recurrent funds of TZS 5,130,415,687 and TZS 920,670,302 respectively. The budget estimate constituted the deferred grant of TZS 1,367,116,813 from the previous year, significantly contributing to the variance recorded.
- (b) Higher demand from clients, in Capacity Development, contributed to success of training events through in-kind cost sharing. They covered expenses such as travelling, accommodation and conference facilities. This had the effect of lower cost of the program events to the Institute than anticipated.
- (c) Research and policy activities; action studies and dialogues were conducted in collaboration with partners who contributed on their costs, explaining the lower cash expenditure by the Institute. In addition, interviews with prominent experts were conducted through video conference rather than physically, thereby reducing cost. Publications of two memoirs was on going. Thus, the activities did not utilise significant portion of the allocation made.

AMBANI SEFUE
Chairperson
Signature: [Signature]
Date: 03/02/2023

Hamisi Mwingiwa
Director
Signature: [Signature]
Date: 03/02/2023

United Republic of Tanzania
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. General Information

The Institute of African Leadership for Sustainable Development also known as UONGOZI Institute was set up jointly by the Government of Finland and Tanzania to address the capacity constraints of the public sector in dealing with global, regional and bilateral negotiations and international agreements governing trade, investments, development and the environment.

The Institute was formerly established in July 2010 under the presidential decree and gazetted on 6 August 2010 issue no ISSN 0856-032 Government Notice No 274 published on 30 July 2010.

The Institute has been created to provide, among others, leadership programmes for Tanzania and the rest of countries in Africa on contemporary themes relevant to development and sustainability with a view of providing a lasting legacy that will bring tangible benefits and sustainable development of Tanzania and the rest of countries in Africa.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The financial statements of UONGOZI Institute have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) - Accrual Basis. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IPSASs - Accrual requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Institute's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are separately disclosed in a note.

2.2 Revenue Recognition

Revenue is recognized on accrual basis. Grants related to an expense item are recognized as income over the year necessary to match the grants on a systematic basis to the costs that they are intended to pay off.

2.3 Property and Equipment

All property and equipment are initially recorded at cost and thereafter stated at historical cost less depreciation, less any cumulative asset impairment.

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Depreciation on assets is calculated on the straight-line method to write off the cost of each asset, over their estimated useful lives. The depreciation rates are as follows:

Office Equipment	20%
Computers	25%
Furniture and Fittings	20%
Motor Vehicle - Used	25%
Motor Vehicle - New	20%
Books & Periodicals	20%

Newly acquired assets are depreciated on pro-rata basing on their period of use. Similarly, depreciation on fixed assets disposed of is charged on pro-rata basis, basing on period of use during the year. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net surplus for the year.

2.4 Foreign currency translation

(a) Functional and Presentation Currency

The financial statements are presented in Tanzania Shillings, which is the functional and presentation currency

- (b) Foreign currency transactions and balances that are denominated in foreign currencies during the year are converted into Tanzania Shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzania Shillings at the rates ruling at that date. The resulting differences from conversion and translation are dealt with in the income statement in the year in which they arise.**

2.5 Cash and Cash equivalents

Cash and cash equivalents are carried in the statement of affairs at cost. Cash and cash equivalent comprise cash on hand, demand and call deposits if they exist at that date.

2.6 Taxpayers' Funds

Taxpayers' funds are the monies invested by the Government to satisfy individual or collective needs or to create future economic benefits. It includes all monies invested in capital expenditure (i.e., procurement of fixed assets). Previously, the item was termed Grants and Development Funds.

2.7 Intangible Assets

Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful lives, using the straight-line method, to the Statement of Financial Performance. The amortisation rate is 33%.

2.8 Inventories

Inventories of stationeries and general stores are stated at the lower of the cost and net realizable value. Cost is determined by the First-In-First-Out (FIFO) method. Net

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realizable value is the estimate of the selling price in the ordinary course of business, less the selling expenses.

2.9 Prepayments

Prepayments are expenditures paid for in one accounting period, but that will not be recognized until a later accounting period. Prepayments or prepaid expenses are initially recorded as assets, because they have future economic benefits, and are expensed at the time when the benefits are realized.

2.10 Financial Risk Management

(i) Foreign exchange risk

The Institute minimizes the risk by maintaining foreign currency accounts. The Institute does not engage in foreign currency swaps or speculations.

(ii) Liquidity risk

The Institute ensures that sufficient liquidity is maintained within the Institute.

2.11 Comparison figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

CODE	DESCRIPTION	2021/2022 TZS	2020/2021 TZS
NOTE 3:	REVENUE GRANTS	6,634,309,244	5,629,919,036
100300	Grant from the Government of Tanzania	5,130,415,687	3,810,257,004
100300	Grant from the Government of Finland	1,503,893,557	1,819,662,032
NOTE 4:	OTHER INCOME	968,842,163	813,439,388
100100	Training fees	732,675,000	378,719,271
100400	Interest Income	-	119,110,833
100500	Other Income	234,677,163	283,750,437
100600	Resource Centre Subscription Fees	1,490,000	670,000
	Exchange Rate Gain	-	31,188,847
NOTE 5:	CAPACITY DEVELOPMENT	2,985,199,084	2,161,861,468
	Fees Experts	1,293,676,818	772,450,654
229922	Consultancy Fees	438,856,810	136,270,482
229910	Honorariums (expert opinion)	324,603,218	109,963,000
220802	Tuition fees	530,216,790	526,217,172

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

CODE	DESCRIPTION	2021/2022 TZS	2020/2021 TZS
	Travel local & International	303,103,824	131,883,545
220809	Ground and Air Travel Tickets	303,103,824	131,883,545
	Accommodation and meals	242,949,521	221,160,916
220801	Accommodation	30,115,673	8,932,188
221105	Per Diem	212,833,848	212,228,728
	Salaries & related costs	555,903,810	707,518,228
210208	Local Staff Salaries	508,584,015	663,501,204
210605	Medical Health Insurances	17,355,005	17,542,524
210608	Employ Contr. (PSSSF)	29,964,790	26,474,499
	Meetings & Workshops	578,202,412	328,848,127
220709	Conference Facilities	335,935,004	150,994,750
220807	Training Allowances	28,343,400	5,210,000
220808	Training Materials	47,746,984	59,767,838
221404	Food and Refreshments	73,012,024	21,611,340
221213	Publicity & Advertising	93,165,000	91,264,198
NOTE 6: RESEARCH AND POLICY DIALOGUE		1,064,583,013	1,022,967,171
	Fees Experts	210,619,960	211,347,834
229910	Honorariums (expert opinion)	82,250,200	74,384,748
229922	Consultancy Fees	128,369,760	136,963,087
	Travel local & International	31,123,300	79,055,442
220809	Ground and Air Travel	31,123,300	79,055,442
	Meetings & Workshops	284,774,327	359,772,266
220808	Production & Printing Training Materials	12,500	3,705,900
220709	Conference Facilities	14,355,000	28,862,610
221213	Publicity	230,406,827	258,335,337
221204	Programme Transmission	40,000,000	68,868,419
	Accommodation and meals	123,203,687	143,801,855
220801	Accommodation	1,929,500	-
221005	Subsistence Allowance	118,937,687	143,801,855
	Salaries & related costs	462,311,439	228,989,775

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

CODE	DESCRIPTION	2021/2022 TZS	2020/2021 TZS
210208	Local Staff Salaries	419,480,079	193,506,505
210605	Medical Health Insurances	15,842,815	13,642,388
210608	Employ Contr. (PSSSF)	26,988,545	21,840,882
NOTE 7:	INSTITUTIONAL BUILDING & COMMUNICATIONS	1,618,671,594	1,568,225,028
	Fees Experts	151,517,071	184,878,931
229922	Consultancy Fees	107,180,786	113,578,670
220802	Tuition Fees	44,336,286	71,300,261
	Travel local & International	49,281,209	28,021,972
220901	Ground and Air Travel Tickets	49,281,209	28,021,972
	Resource Centre	43,350,231	82,799,517
220108	Newspapers and Magazines	-	3,316,980
220105	References and periodicals, Books	43,350,231	79,482,537
	Computer supplies	72,159,996	80,130,479
220111	Software licence fees	20,850,455	9,794,000
220102	Computer Supplies and Accessories	51,309,541	70,336,479
	Communications & publicity	33,366,657	23,688,157
220104	Tapes, films and materials	33,366,657	23,688,157
	Meetings & Workshops	10,551,024	316,185,237
220709	Conference Facilities	6,574,389	38,527,776
221404	Food and Refreshments	12,230,096	3,201,200
229914	Sundry Expenses	3,245,000	6,423,137
221205	Advertising and Publication	141,746,277	11,770,300
221213	Publicity	124,112,434	160,519,194
221005	Subsistence Allowance	10,551,024	95,743,630
	Salaries & related costs	873,230,803	852,520,735
210208	Local Staff Salaries	754,451,092	744,228,382
210605	Medical Health Insurances	39,431,495	42,494,909
210608	Employ Contr. (PSSSF)	79,348,215	65,797,444

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

CODE	DESCRIPTION	2021/2022 TZS	2020/2021 TZS
NOTE 8:	OFFICE EXPENSES	1,811,544,746	1,929,532,200
	Travel local & international	81,750,811	70,333,386
221101	Air Travel Tickets	81,750,811	70,333,386
	Office Supplies & Consumables	78,528,998	117,227,922
220101	Office Consumables and stationaries	33,751,946	31,872,224
220102	Computer Supplies and Accessories	24,506,672	47,707,911
220103	Printing and Photocopy paper	396,000	332,500
220108	Newspapers and Magazines	2,173,500	2,901,950
220113	Cleaning Supplies	17,700,880	34,413,336
	Utilities	147,026,188	184,825,232
220201	Electricity	55,060,929	52,803,077
221201	Internet and telephone charges	75,369,520	110,517,970
220112	Outsourcing costs (cleaning services)	16,595,739	21,504,185
	Motor vehicle running expenses	20,907,136	17,937,809
220301	Diesel and lubricants	18,173,104	11,458,225
230409	Spare Parts	2,734,032	6,479,584
	Meetings & Workshops	39,200,184	84,109,299
221005	Conference Facilities	30,705,174	27,588,617
221104	Lodging/Accommodation	8,495,010	56,520,682
	Fees & Allowances	193,370,888	154,630,859
229908	Audit Fees	22,520,000	22,520,000
229922	Board allowances and fees	119,653,518	40,182,520
229922	Board transport (air and ground)	18,566,000	8,982,000
229917	Consultancy (Expert opinion)	-	48,609,470
	Subsistence and duty allowances to staff	32,631,370	34,336,869
	Salaries & related costs	776,536,724	697,336,173
210208	Local Staff Salaries	669,451,066	602,069,580
210501	Housing and Electricity Allowance	10,740,000	21,890,000
210605	Medical Health Insurances	27,781,524	25,510,729
220106	Worker Compensation Fund	8,333,842	7,850,143
210608	Employ Contr. (PSSSF)	60,230,292	40,015,721
	Other Office Expenses	349,413,310	352,736,557

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220905	Health Insurance	21,620,000	19,202,689
221404	Food and Refreshments	117,387,489	125,157,395
229914	Sundry Expenses	140,577,458	170,180,586
229918	Insurance Expenses	32,981,672	26,125,510
229919	Bank Charges and Commissions	13,542,080	12,070,377
290000	Exchange Rate Loss	23,304,612	-
	Office Rent	89,879,907	250,394,963
220703	Office Rent	89,879,907	250,394,963
NOTE 9:	AMORTISATION AND DEPRECIATION EXPENSE	108,060,920	145,070,879
	Depreciation Expense	106,474,962	142,612,564
229913	Depreciation of Office Equipment	17,408,580	17,408,580
229913	Depreciation of Computers	30,840,203	30,840,203
229913	Depreciation of Furniture	13,688,173	13,688,173
229913	Depreciation of Motor Vehicles	2,897,733	39,035,335
229913	Depreciation of Books	41,640,273	41,640,273
	Amortization Expense	1,585,958	2,458,316
229913	Amortization of intangible assets	1,585,958	2,458,316
NOTE 10:	CASH AND CASH EQUIVALENTS	6,540,369,208	6,248,418,635
301000	Cash in hand	2,338,045	1,072,036
302000	Cash at bank	6,538,031,163	6,247,346,599
NOTE 11:	DEBTORS AND PREPAYMENTS	32,223,542	317,385,629
	Prepaid fees - Capacity Development	-	140,681,250
310150	Staff imprest - Capacity Development	7,274,422	21,912,500
310150	Staff imprest - Research & Policy Dialogue	15,310,000	2,500,000
310150	Staff imprest - Office Expense	-	33,181,045
	Receivable - Institutional Building	9,639,120	119,110,833
	Current	32,223,542	317,385,629
	Non-current	-	-
NOTE 12:	INVENTORIES	31,356,419	5,926,687
350000	Inventories - Office Expense	31,356,419	5,926,687
NOTE 13:	LIABILITIES AND ACCRUED CHARGES	580,457,126	108,232,435
530100	Creditors & accrued charges		
	Capacity development	194,861,381	32,525,107
	Research and Policy Dialogue	250,457,851	22,064,141
	Institution Building & Communications	92,473,159	-

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	Office Expenses	42,664,735	53,643,187
	Current	580,457,126	108,232,435
	Non-current	-	-
NOTE 14:	DEFERRED GRANT REVENUE		
	Opening deferred grant revenue	1,367,116,813	-
	Grant received - Tanzania	5,130,415,687	3,810,257,004
	- Finland	920,670,302	3,186,778,845
	Total grant received	6,051,085,989	6,997,035,849
	Grant realised (Note 3)	(6,634,309,244)	(5,629,919,036)
	Closing deferred grant revenue	783,893,557	1,367,116,813
NOTE 15:	PROVISION FOR STAFF GRATUITY	622,929,010	567,715,743
600200	Capacity Development	155,491,764	129,090,399
600200	Research and Policy Dialogue	99,389,671	113,784,038
600200	Institutional Building & Communications	211,649,414	162,183,627
600200	Office Expenses	156,398,160	162,657,679
	Current	224,560,527	169,347,260
	Non-current	398,368,482	398,368,483
NOTE 16:	TAXPAYERS' FUNDS	3,593,816,853	3,593,816,853
600100	Funds invested by the Government to satisfy individual or collective needs or to create future economic benefits. It includes all monies invested on capital expenditure (i.e., procurement of fixed assets).	3,593,816,853	3,593,816,853
NOTE 17:	OPERATING RESERVE	2,109,850,420	2,109,850,420
600300	Special fund to provide an internal source of funds for unforeseen one-time, non-recurring expenses to maintain the going concern of the Institute.	2,109,850,420	2,109,850,420

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NOTE 18: PROPERTY AND EQUIPMENT

	Land TZS	Office Equipment TZS	Computers TZS	Furniture TZS	Motor Vehicle TZS	Books TZS	Total TZS
Year ended 30 June 2022							
Cost							
At 1 July 2021	3,699,083,256	336,337,058	346,211,831	283,925,888	253,431,138	722,545,592	5,641,534,762
Additions	-	5,754,250	24,175,203	5,220,000	-	-	35,149,453
At 30 June 2022	3,699,083,256	342,091,308	370,387,034	289,145,888	253,431,138	722,545,592	5,676,684,216
Depreciation							
At 1 July 2021	-	301,415,130	268,981,331	228,670,251	234,737,007	418,079,423	1,451,883,142
Charge for the year	-	17,408,580	30,840,203	13,688,173	2,897,733	41,640,273	106,474,962
At 30 June 2022	-	318,823,711	299,821,534	242,358,423	237,634,740	459,719,696	1,558,358,104
Net Book Value							
At 30 June 2022	3,699,083,256	23,267,597	70,565,500	46,787,465	15,796,398	262,825,896	4,118,326,112
Year ended 30 June 2021							
Cost							
At 1 July 2020	3,699,083,256	329,589,753	311,401,431	243,555,077	253,431,138	647,529,621	5,484,590,275
Additions	-	6,747,305	34,810,400	40,370,811	-	75,015,971	156,944,487
At 30 June 2021	3,699,083,256	336,337,058	346,211,831	283,925,888	253,431,138	722,545,592	5,641,534,762
Depreciation							
At 1 July 2020	-	284,006,550	238,141,128	214,982,078	195,701,672	376,439,150	1,309,270,578
Charge for the year	-	17,408,580	30,840,203	13,688,173	39,035,335	41,640,273	142,612,564
At 30 June 2021	-	301,415,130	268,981,331	228,670,251	234,737,007	418,079,423	1,451,883,142
Net Book Value							
At 30 June 2021	3,699,083,256	34,921,928	77,230,500	55,255,637	18,694,131	304,466,169	4,189,651,621

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	2021/22	2020/21
	TZS	TZS
Note 19: INTANGIBLE ASSETS		
Opening costs	81,217,379	81,217,379
Additions	-	-
Total Costs	81,217,379	81,217,379
Amortisation		
Opening accumulated amortisation	76,733,435	74,275,119
Charge for the year	1,585,958	2,458,316
Closing accumulated amortization	78,319,393	76,733,435
Net book value	2,897,986	4,483,944
 Note 20: Reconciliation of Surplus /(Deficit) to Net Cash Flows from Operating Activities		
Cashflow from Operating Activities		
Surplus / (Deficit)	15,092,050	(384,298,322)
Non-cash movements		
Depreciation	108,060,920	145,070,879
Movement in working capital items		
Increase / (Decrease) in provision for liabilities & accrued charges	472,224,691	(66,483,322)
(Decrease) / Increase in deferred income	(583,223,256)	1,367,116,813
Increase in provision for staff gratuity	55,213,267	236,874,794
(Increase) / Decrease in debtors and prepayments	285,162,087	(61,146,189)
Decrease (Increase) in inventories	(25,429,732)	20,243,034
Net cash from operating activities	327,100,027	1,257,377,687

OMBENI SEFWU
 Chairperson
 Signature: 
 Date: 03/02/2023

Hamisi Mwingi
 Director
 Signature: 
 Date: 03/02/2023

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