

2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Hon. Chairperson of the Council,
Geita Town Council,
P.O. Box 384,
GEITA.

Report on the audit of financial statements for the financial year ended 30th June, 2018

Unqualified Opinion

I have audited the accompanying financial statements of Geita Town Council, which comprise the statement of financial position as at 30th June, 2018 and the statement of financial performance, the statement of changes in net assets/equity the 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 Geita Town Council as at 30th June, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in the manner required by the Local Government Finances Act 1982, revised 2000.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of Geita Town Council in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Tanzania, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Management is responsible for the other information. The other information comprises of the Director's Report and the Declaration by the Head of Finance but does not include the financial statements and our auditor's 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 there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Other Information

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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 Geita Town Council of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

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 IPSASs, 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.

Auditor's Responsibilities 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 auditor's 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 ISAs 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.

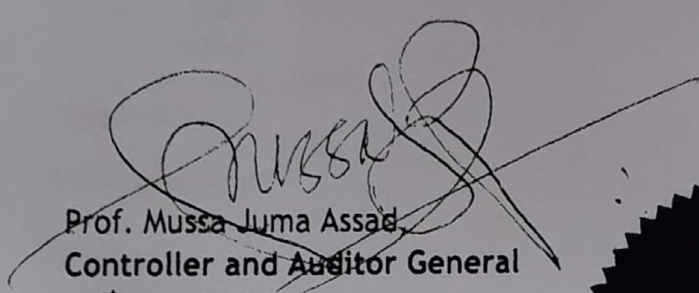
In addition, Sect. 10 (2) of the PAA No.11 of 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

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 audited entity has complied with the provisions of the Law and its Regulations.

Report on Other Legal and Regulatory Requirements

Compliance with the Public Procurement Act, 2011

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, Geita Town Council procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011 and its underlying Regulations of 2013.


Prof. Mussa Juma Assad
Controller and Auditor General
31st March, 2019

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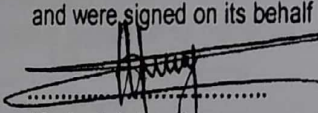


THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
GEITA TOWN COUNCIL

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

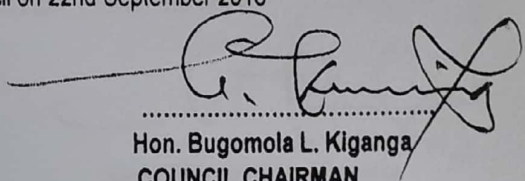
	Notes	2018 TZS	2017 TZS
ASSETS			
Current assets			
Cash and cash equivalents	23	10,915,267,150	7,362,548,858
Receivables and prepayments	24	1,602,539,697	2,054,703,860
Inventories	25	338,352,380	208,650,842
		<u>12,856,159,227</u>	<u>9,625,903,561</u>
Non-current assets			
Other financial assets	26	77,909,135	36,000,000
Property, plant and equipment	32	31,414,072,437	23,079,467,604
Intangible assets	33	-	2,400,000
		<u>31,491,981,572</u>	<u>23,117,867,604</u>
TOTAL ASSETS		<u>44,348,140,799</u>	<u>32,743,771,165</u>
LIABILITIES			
Current liabilities			
Payables	27	1,598,952,262	909,847,894
Employee benefits	29	974,164,813	1,322,480,483
Deferred income (Recurrent Grant)	11	543,992,920	955,797,878
		<u>3,117,109,995</u>	<u>3,188,126,255</u>
Non-current liabilities			
Long-term borrowings	28	436,787,196	-
Deferred income (Capital Grant)	30	33,944,395,957	22,260,419,317
		<u>34,381,183,153</u>	<u>22,260,419,317</u>
TOTAL LIABILITIES		<u>37,498,293,148</u>	<u>25,448,545,573</u>
NET ASSETS		<u>6,849,847,651</u>	<u>7,295,225,592</u>
NET ASSETS			
Accumulated surplus/(deficit)		6,849,847,651	192,153,932
Revaluation surplus		-	7,103,071,660
TOTAL NET ASSETS		<u>6,849,847,651</u>	<u>7,295,225,592</u>

The financial statements were authorised for issue by the Full Council on 22nd September 2018
and were signed on its behalf by:


Modest J. Apollary
COUNCIL DIRECTOR
Date: 26/9/2018

TOWN DIRECTOR
GEITA TOWN COUNCIL

notes on page 27 to 31 form part of these financial statement

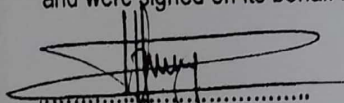

Hon. Bugomola L. Kiganga
COUNCIL CHAIRMAN
Date: 26/9/2018

CHAIRMAN
GEITA TOWN COUNCIL

FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017 TZS
Cash flows from operating activities		
Receipts		
Taxes and levies	4,840,263,339	3,826,839,652
Fees, fines, penalties and licenses	816,545,441	629,830,426
Exchequers/transfers/subsidies from/(to) other Government entities	21,275,576,755	21,920,037,461
Revenue from exchange transactions	218,277,331	430,147,835
Other income	368,726,796	337,268,225
Payments		
Employee costs	(17,994,710,301)	(18,287,383,566)
Payments to suppliers	(3,264,684,197)	(3,588,158,624)
Maintenance expenses	(578,241,383)	(616,409,487)
Other transfer payments to other entity	(2,168,179,785)	(4,420,510,691)
Net cash from operating activities	3,513,573,995	231,661,231
Cash flows from investing activities		
Acquisition of property, plant, and equipment & investment properties	(9,422,361,700)	(6,257,871,848)
Receipts from sales of motorvehicles	13,655,000.00	-
Acquisition of investments (LGLB)	(41,909,135.00)	-
Net cash from investing activities	(9,450,615,835)	(6,257,871,848)
Cash flows from financing activities		
Development grants received	10,189,629,613	7,559,158,024
Grants transferred to TARURA	(699,869,482)	-
Net cash used in financing activities	9,489,760,131	7,559,158,024
Net increase in cash and cash equivalents	3,552,718,291	1,532,947,407
Cash and cash equivalents at beginning of period	7,362,548,858	5,829,601,451
Cash and cash equivalents at end of period	10,915,267,150	7,362,548,858

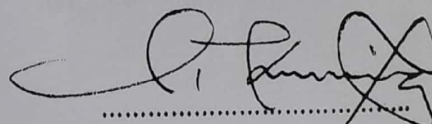
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Date 26/9/2018

**TOWN DIRECTOR
GEITA TOWN COUNCIL**

notes on page 27 to 61 form part of these financial statement



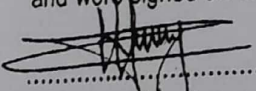
Hon. Bugomola L. Kiganga
COUNCIL CHAIRMAN
Date 26/9/2018

**CHAIRMAN
GEITA TOWN COUNCIL**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2018**

		2018	2017
	Notes		TZS
Revenue			
Local taxes	9	4,841,689,718.83	3,826,839,652
Fees, fines, penalties and licenses	10	819,765,716.61	629,830,426
Amortisation of recurrent grants	11	21,826,587,140.81	21,802,071,265
Revenue from exchange transactions	13	218,277,331.22	430,147,835
Other own source revenue	16	368,726,796.16	337,268,225
Revenue from Disposal of assets	22	13,655,000.00	
Amortisation of capital grant	30	1,191,768,048.59	1,637,729,345
		29,280,469,752	28,663,886,748
Expenses			
Wages, salaries and employee benefits	17	17,994,710,301.45	18,287,383,566
Supplies and consumables used	18	3,332,503,317.15	3,972,425,185
Maintenance expenses	19	578,241,382.89	619,040,428
Grants and other transfer payments-	20	6,601,129,641.80	4,420,510,691
Depreciation of property, plant and equipment	32	1,191,768,048.59	1,635,329,345
Amortisation of intangible assets	33	2,400,000.00	2,400,000
Loss on disposal	22	25,095,001.00	
		29,725,847,693	28,937,089,216
Surplus/(deficit) during the year		(445,377,941)	(273,202,468)

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 Date 26/9/2018


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GEITA TOWN COUNCIL
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CHAIRMAN
GEITA TOWN COUNCIL