



**THE UNITED REPUBLIC OF TANZANIA  
NATIONAL AUDIT OFFICE**



**KIBAHA EDUCATION CENTRE**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2023**

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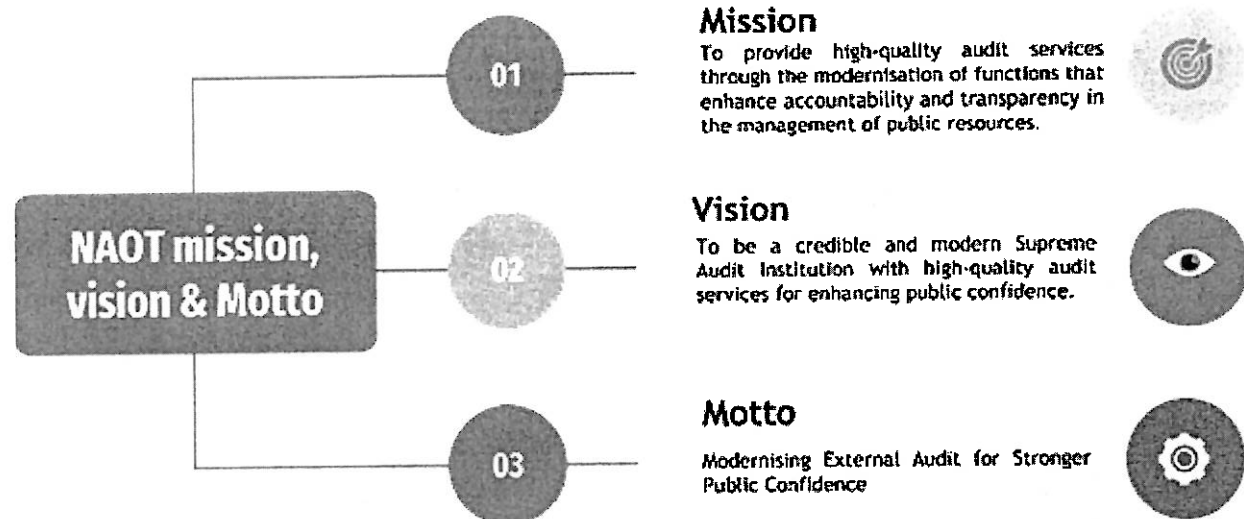
March 2024

AR/PA/KEC/2022/23

## 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 [R.E 2021]



#### Independence and objectivity

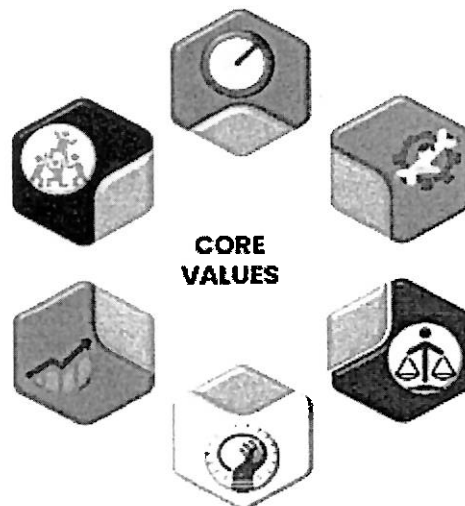
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

#### Teamwork Spirit

We value and work together with internal and external stakeholders.

#### Results-Oriented

We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



#### Professional competence

We deliver high-quality audit services based on appropriate professional knowledge, skills, and best practices

#### Integrity

We observe and maintain high ethical standards and rules of law in the delivery of audit services.

#### Creativity and Innovation

We encourage, create, and innovate value-adding ideas for the improvement of audit services.

© This audit report is intended to be used by Kibaha Education Centre 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**

<b>CAG</b>	Controller and Auditor General
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ISSAIs</b>	International Standard of Supreme Audit Institutions
<b>KEC</b>	Kibaha Education Centre
<b>KRAs</b>	Key Results Areas
<b>NBAA</b>	National Board of Accountants and Auditors
<b>PO-PSM</b>	President's Office Public Sector Management
<b>PO-RALG</b>	President's Office Regional Administration and Local Government

## 1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson,  
Kibaha Education Centre,  
P.O. Box 30054  
Kibaha,  
PWANI.

### 1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### Unqualified Opinion

I have audited the financial statements of Kibaha Education Centre, which comprise the Statement of Financial Position as at 30 June 2023, 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 Kibaha Education Centre 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 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 Kibaha Education Centre 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.

#### Emphasis of Matter

I draw attention to the matter below. My opinion is not modified in respect of this matter.

Note 29 of the financial statements indicates that Kibaha Education Centre has pending legal case Number CMA/PWN/KBH/45/2018 filed by its ex-employees Abidon and Godfrey Muhadu and Others; hearings are in progress. The outcome of the case cannot presently be determined, and no provision for any liability that may result has been made in the financial statements; however, estimates indicate that the KEC may be obliged to pay TZS 46,543,917 if the case will be ruled in favour of the plaintiff.

## **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 Report by those charged with Governance, statement of management responsibility and Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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 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, Cap 410 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 the procurement of works, goods, and services in the Kibaha Education Centre for the financial year 2022/23 as per the Public Procurement laws.

#### **Conclusion**

Based on the audit work performed, I state that procurement of goods, works and services of Kibaha Education Centre is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

### **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 Kibaha Education Centre 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 Budget formulation and execution of Kibaha Education Centre 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 2024



## **2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023**

### **2.1 BACKGROUND**

In compliance with the Public Corporations Act, 1992 and the Tanzania Financial Reporting Standard No.1 on Directors' Report, the Director General of Kibaha Education Centre is required to submit Financial Reports and Report by those charged with Governance for the year ended 30 June 2023. The Director, therefore, hereby presents the Report.

### **2.2 CORPORATE OUTLOOK**

#### **2.2.1 Establishment and Mandate**

Kibaha Education Centre is an affiliated institution of President's Office Regional Administration and Local Government (PO-RALG). It has the Director General who is responsible for the day-to-day operations of the Centre.

There are four Directorates headed by the Directors and seven Units who report to the Director General.

**The Heads of the Directorates are:**

- a. Director of Administration and Human Resources Management;
- b. Director of Finance and Accounts;
- c. Director of Community Development;
- d. Director of Education Services; and
- e. Director of Health Services.

**The Heads of Units are:**

- a. Head of Public Relations and Communication;
- b. Chief Estate Officer;
- c. Chief of Procurement and Logistics Management;
- d. Corporate Legal Officer;
- e. Chief Internal Auditor;
- f. Head of Information and Communication Technology; and
- g. Head of Planning, Monitoring and Evaluation Unit.

#### **Service Performance Information**

The Centre is a public institution that provides different services in an integrated manner which include education services, training on health and allied sciences, and on vocational and community development. It provides primary education that is, from primary school to advanced secondary school education levels. This is done through one primary school, three secondary schools and one library.

Furthermore, the Centre provides training through two colleges, namely:

- a. Kibaha Folk Development College; and
- b. Kibaha College of Health and Allied sciences.

### **KEC Strategic Plan**

KEC is implementing its third Strategic Plan of 2022/23-2025/26. The 3<sup>rd</sup> KEC Strategic Plan is prepared as a guide for the process of transforming KEC into a reputable Education Centre by focusing on the vision and mission statements of KEC.

### **Vision Statement**

Kibaha Education Centre is “Envisioned to be the Centre of excellence with innovative quality socio- economic services and conducive investment environment in the country.”

### **Mission Statement**

KEC is committed to “Provide innovative quality education, training health services and creation of suitable environment for investment through effective and efficient use of available resources for sustainable development”.

### **KEC Strategic Objectives**

The Plan has seven (7) strategic objectives that aim at contributing towards the realization of KEC vision and mission and core values in five years. These objectives include,

- A. Health services improved and HIV & AIDS infection reduced;
- B. Effective implementation of the National Anti- Corruption Strategy enhanced and sustained;
- C. Economic infrastructure, services and products improved;
- D. Good Governance and administrative services enhanced;
- E. Emergency preparedness and disaster Management improved;
- F. Social welfare, Gender and Community engagement improved; and
- G. ICT infrastructure, public relation and communication enhanced.

### **Implementation, Monitoring, Reviews and Evaluation of Implementation**

Implementation is a vital aspect for many organizations. For the implementation to take place, KEC ensures that all staff are effectively and efficiently involved in the implementation process because the aim is to ensure that, KEC'S vision and mission are achieved successfully. The Management of KEC will monitor the implementation of the Plan periodically through Planning Evaluation and Monitoring Unit. Monitoring is aimed at ensuring that the objectives are executed in accordance with the Plan. Reports are produced semi-annually and submitted to the Director General.

### 2.2.2 Core Values

The core values of KEC revolve around:

- Professionalism;
- Efficiency;
- Transparency;
- Integrity; and
- Teamwork.

These core values reflect the KEC ideals and principles and hence serve as guidelines for the Centre as well as its officials in the conduct of their responsibilities.

### 2.2.3 Key Result Areas

Based on the mandate and functions of Kibaha Education Centre as stipulated in the Kibaha Education Centre [Establishment] Order has adopted seven (7) Key Results Areas (KRAs). The Centre seeks for outcomes in these areas during the implementation period of the Five Years Strategic Plan. In addition, the KRAs are operationalized after developing targets for each KRA or Strategic Objective. In achieving each Key Result Area, KEC have strategies and measurable Key Performance Indicators. The objectives (KRAs) are interrelated to Sustainable Development Goals, CCM Election Manifesto 2020, and other Sector Policies. The overall KRAs adopted are as follows:

KRA A: Health services improved and HIV and AIDS infection reduced;

KRA B: Effective implementation of the National Anti- Corruption Strategy enhanced and sustained;

KRA C: Economic infrastructure, services, and products improved;

KRA D: Good Governance and administrative services enhanced;

KRA E: Emergency preparedness and disaster Management improved;

KRA F: Social welfare, Gender, and Community engagement improved; and

KRA G: ICT infrastructure, public relations, and communication enhanced.

### 2.2.4 Stakeholders' relationship

KEC has good and significant relationships with stakeholders other than primary users of services, who are likely, directly, or indirectly influence the performance of the Centre and its value as analysed hereunder:

Table 1 : Stakeholders' Relationship

S/N	Name of Stakeholder	Role of Stakeholder/Relationship	Expectation of Stakeholder	Potential Impact if expectation is not met	Rank H M L
1	KEC staff	<ul style="list-style-type: none"> <li>• Quality social service provision</li> <li>• Resource management</li> <li>• Quality product</li> </ul>	<ul style="list-style-type: none"> <li>• Working conducive environment</li> <li>• Sufficient government subventions</li> </ul>	<ul style="list-style-type: none"> <li>• Demoralization</li> <li>• Poor service</li> </ul>	High

# KIBAHA EDUCATION CENTRE

S/N	Name of Stakeholder	Role of Stakeholder/Relationship	Expectation of Stakeholder	Potential Impact if expectation is not met	Rank H M L
			<ul style="list-style-type: none"> <li>Good industrial relation</li> </ul>	<ul style="list-style-type: none"> <li>delivery</li> <li>Customer dissatisfaction</li> </ul>	
2	Board of Directors	<ul style="list-style-type: none"> <li>Approve plans and budget, guidelines, regulations, policies and rules.</li> <li>Oversee management performance.</li> <li>Sign and approved contract.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance to regulations and rules</li> <li>Good services delivery</li> <li>Timely submission of reports</li> </ul>	<ul style="list-style-type: none"> <li>Mistrust to management</li> <li>Termination</li> <li>Negative reinforcement</li> </ul>	High
3	Treasury Registrar	<ul style="list-style-type: none"> <li>Provision of guidelines and Circulars</li> <li>Approving working documents</li> <li>Monitoring and control</li> </ul>	<ul style="list-style-type: none"> <li>Compliance to guidelines and Circulars</li> <li>Quality services and products</li> </ul>	<ul style="list-style-type: none"> <li>Mistrust</li> <li>Disciplinary and legal measure expectation is not met</li> </ul>	High
4	President Office-Regional Administration and Local Government	<ul style="list-style-type: none"> <li>Policies and guidelines provision</li> <li>Budget support</li> <li>Monitoring and control</li> </ul>	<ul style="list-style-type: none"> <li>Compliance to policies and guidelines</li> <li>Quality services and products</li> <li>Customer satisfaction</li> <li>Value for money</li> <li>Financial accountability and asset</li> </ul>	<ul style="list-style-type: none"> <li>Mistrust</li> <li>Termination</li> <li>Disciplinary and legal measure</li> </ul>	High
5	Central Government	<ul style="list-style-type: none"> <li>Policies and guidelines provision</li> <li>Budget support</li> <li>Monitoring and control</li> </ul>	<ul style="list-style-type: none"> <li>Compliance to policies and guidelines</li> <li>Quality services and products</li> <li>Customer satisfaction</li> <li>Value for money</li> <li>Financial accountability and asset</li> </ul>	<ul style="list-style-type: none"> <li>Mistrust</li> <li>Termination</li> <li>Disciplinary and legal measure</li> </ul>	High
6	Ministry of Finance and Planning	<ul style="list-style-type: none"> <li>Provision of policies, guidelines, and Circulars</li> <li>Budget support</li> <li>Monitoring and control</li> </ul>	<ul style="list-style-type: none"> <li>Compliance to policies, guidelines and Circulars</li> <li>Quality services and products</li> </ul>	<ul style="list-style-type: none"> <li>Mistrust</li> <li>Disciplinary and legal measure</li> </ul>	High

**KIBAHA EDUCATION CENTRE**

S/N	Name of Stakeholder	Role of Stakeholder/Relationship	Expectation of Stakeholder	Potential Impact if expectation is not met	Rank H M L
7	Parliament	<ul style="list-style-type: none"> <li>Budget approval</li> <li>Monitoring implementation of mandated functions</li> </ul>	<ul style="list-style-type: none"> <li>Compliance</li> <li>Quality services and products</li> </ul>	<ul style="list-style-type: none"> <li>Mistrust</li> <li>Disciplinary and legal measure</li> </ul>	High
8	LGAs	<ul style="list-style-type: none"> <li>Conducive environment</li> <li>Set and provide by-laws</li> </ul>	<ul style="list-style-type: none"> <li>Compliance to by-laws</li> </ul>	<ul style="list-style-type: none"> <li>Mistrust and misunderstanding.</li> <li>Legal action</li> </ul>	Medium
9	Development Partner	<ul style="list-style-type: none"> <li>Technical support</li> <li>Financial support</li> </ul>	<ul style="list-style-type: none"> <li>Quality services provision</li> <li>Good information and report</li> <li>Value for money</li> </ul>	<ul style="list-style-type: none"> <li>Withdraw support</li> <li>Mistrust</li> <li>Bad reputation</li> </ul>	Medium
10	Community	<ul style="list-style-type: none"> <li>Cost sharing</li> <li>Compliance to rules and regulations</li> <li>Participate in decision making and feedback</li> </ul>	<ul style="list-style-type: none"> <li>Quality social services</li> <li>Transparency and accountability</li> <li>Value for money</li> <li>Recognition and appreciation</li> <li>Involvement</li> </ul>	<ul style="list-style-type: none"> <li>Mistrust</li> <li>Customer dissatisfaction</li> <li>Loss of reputation</li> <li>Misunderstanding</li> </ul>	High
11	Students	<ul style="list-style-type: none"> <li>Compliance to rules and regulations</li> <li>Cost sharing</li> <li>Participate in decision making</li> </ul>	<ul style="list-style-type: none"> <li>Quality services provision</li> <li>Involvement in decision making</li> <li>Value for money</li> <li>Conducive environment</li> </ul>	<ul style="list-style-type: none"> <li>Riot</li> <li>Mistrust</li> <li>Misunderstanding</li> <li>Poor performance</li> <li>Dropout</li> </ul>	High
12	The Media	<ul style="list-style-type: none"> <li>Disseminate information</li> <li>Balanced information</li> </ul>	<ul style="list-style-type: none"> <li>Transparency</li> <li>Conducive environment</li> </ul>	<ul style="list-style-type: none"> <li>Mislead</li> <li>Bad image</li> <li>Damage reputation</li> </ul>	Medium
13	Utilities Regulatory authorities	<ul style="list-style-type: none"> <li>Provide services</li> </ul>	<ul style="list-style-type: none"> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Disconnection of services</li> <li>Legal action</li> </ul>	High
14	Service providers	<ul style="list-style-type: none"> <li>Provide timely quality goods and services</li> </ul>	<ul style="list-style-type: none"> <li>Timely payment</li> <li>Fair treatment/competition</li> </ul>	<ul style="list-style-type: none"> <li>Misunderstanding</li> <li>Mistrust</li> <li>Withdraw</li> <li>Legal actions</li> <li>Collapse of institution</li> </ul>	High

**Source:** Kibaha Education Centre Strategic Plan 2022/2023-2025/26

### 2.2.5 Principal Activities

Section 3 of the establishment order provides the following detailed functions of the Centre:

- i) To promote agricultural developments, including the provision of academic and practical courses in agriculture and food production;
- ii) To train and provide training facilities for medical students, nurses and rural medical aids in preventive as well as curative medicine, public health and environmental hygiene;
- iii) To train members of the public in public health and environmental hygiene;
- iv) To provide any service or facility which the Ministry responsible for Health or the Faculty of Medicine at the established or performed for the furtherance of the objects for which the Centre is established;
- v) To provide secondary education in accordance with Government policy; and
- vi) To do anything or to enter any transaction which, in the opinion of the Board of Directors, is calculated to facilitate the proper and efficient carrying out its activities and proper performance of its functions.

## 2.3 OPERATING FINANCIAL REVIEW

### 2.3.1 FINANCIAL STATEMENTS REVIEW

During the Financial year ended on 30 June 2023 the Centre generated Revenue of TZS 9,559,626,130 (2021/22: TZS 15,413,948,973) and incurred Expenditure of TZS 8,933,309,254 (2021/22: TZS 14,016,142,056) hence a Surplus of TZS 626,316,876 (2021/22: TZS 1,394,806,917).

The Financial position of the Centre includes Non-Current Assets of TZS 138,020,888,069 (2021/22: TZS 137,430,004,434, Current Assets of TZS 1,197,154,178 (2021/22: TZS 1,212,331,848) and Non-Current Liabilities of TZS 0 (2021/22: TZS 0), Current Liabilities of TZS 531,004,880 (2021/22: TZS 581,615,791).

The equity of the Centre amounts to TZS -138,687,037,367 (2021/22: TZS 138,060,720,491)

### 2.3.2 BUDGET PERFORMANCE REVIEW

During the financial year 2022/23 the approved budget of the Centre was TZS 12,882,084,000 (2021/22: TZS 17,093,672,540). The Budget for 2022/23 included TZS 1,706,953,000 from Own sources, TZS 9,893,374,846 for Personal Emoluments, TZS 849,369,000 for other charges and TZS 504,984,000 as fees Compensation.

Generally, the implementation of the planned targets of the KEC was 70% above the plan.

### 2.3.3 Future KEC PLANS

1. To rehabilitate classrooms and Hostel/dormitories to increase students' enrolment from 400 students as per present status to 800 students at Kibaha Folk Development College. The sum of TZS 400 million have been set aside to implement this plan in the financial year 2022/23. This will have impact on revenue collections and sustainability.

2. To rehabilitate and build new classrooms to increase students' enrolment from 500 students as per present status to 1300 students at Kibaha College of Health and Allied Science (KCOHAS). This will have impact on revenue collections and sustainability.
3. To expand and upgrade Tumbi Nursery School to Primary English Medium School with Vocational Skills).
4. Start E-Learning teaching programmes at college and Secondary Schools levels from the year 2022/23.

### Challenges

The Centre faced the following challenges during implementation:

- Inadequate funds to meet the day-to-day financial requirements of the Centre; and
- Irregular cash inflows e.g., planned OC vs Actual amount received for education fees compensations.

## 2.4 RISK MANAGEMENT

### 2.4.1 Risks

The success of Kibaha Education Centre Strategic Plan 2022/23- 2025/26 might be prevented, degraded, or delayed by the following key risks factors:

- i. Changes in the funding allocation from the Government;
- ii. Revenue/collections targets not met;
- iii. Uncompetitive remuneration; and
- iv. Loss of customers' loyalty.

### 2.4.2 Mitigation measures

The following measures are to be taken to reduce the effect of the above risk in the implementation of planned objectives: -

- i. Looking for new sources of funds;
- ii. Controlling all sources of revenue collections;
- iii. Being competitive in the labour market;
- iv. Improving quality of service delivery; and
- v. Doing customer satisfaction assessment.

### 2.4.3 Responsibility for the Risk Management and Internal Controls

The Board of Directors/ Permanent Secretary PO-RALG accepts final responsibility for the risk management and internal control systems of the Centre. It is the task of Management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the Centre's assets;
- Compliance with applicable laws and regulations;



- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Centre system is designed to provide the Board of Directors with reasonable assurance that the procedures in place are operating effectively.

The Board of Directors / Permanent Secretary PO-RALG assessed the internal control systems throughout the financial year ended on 30 June 2023 and it is of the opinion that they have met acceptable criteria. The Board of Directors carries risk and internal control assessment through Audit Committee.

## 2.5 SOLVENCY EVALUATION

Permanent Secretary PO-RALG has reviewed the current financial position of the Centre. Based on this review, the Board of Directors is of the opinion that for the Centre to perform effectively and efficiently, it needs additional external sources of financing as subsidy from the Government as it is receiving unevenly and inadequately. To enable the Centre to carry out its operations effectively, the Board of Directors recommend injection of more funds in line with the Centre's Strategic Plan. This will be a more reliable source of financing instead of relying on funding from Government through government budgetary allocations, which in fact; is not honoured in full for one reason or another. The annual operating results are as shown in the financial statements attached to this report.

## 2.6 EMPLOYEES' WELFARE

### 2.6.1 Management and Employees Relationship

There is a systematic procedure of communication with employees on a regular basis which is done through departmental meetings, management, and staff meetings, notice board, and circulars and through workers' council meetings. The existence of good relationship between employees and Management continued for the year 2022/23. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between Management and trade unions.

### 2.6.2 Medical Facilities

The Centre guarantees full cost of medical consultation and treatment for all its employees and their immediate families/dependants through Health Insurance Scheme which is NHIF.

### 2.6.3 Training

The Centre offers sponsorship to its employees both on short and long courses within and outside the country on various disciplines. When presenting its annual budget for the year 2022/23, the Centre set aside TZS 45,640,000 (2020/21: TZS 25,282,667) for staff

training, workshops, and seminars in order to improve employees' technical skills and hence effectiveness. Training programs have been and are continually being developed to ensure employees are adequately trained at all levels. All employees have some form of annual training to upgrade skills and enhance capacity development.

#### **2.6.4 Financial Assistance**

Kibaha Education Centre guaranteed the employees to several financial institutions so as they can secure loans through their salaries.

#### **2.6.5 Persons with Disability**

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Centre continues, and appropriate training is arranged. It is the Centre's policy to give equal opportunities to disabled persons for vacancies they can fill.

#### **2.6.6 Emoluments**

Emoluments are provided to employees based on the scheme of service approved by the proper Government Authorities supported by the Centre's approved annual budget.

#### **2.6.7 Health and Safety**

The Centre has a strong health and safety department which ensures that a strong culture of safety always prevails. A safe working environment is ensured for all employees and contractors by providing adequate and proper personal protective equipment, training, and supervision as necessary.

#### **2.6.8 Employees Benefit Plan**

The Centre pays contributions to a publicly administered pension funds on mandatory basis which qualifies to be a defined contribution plan. The number of employees of the Centre for the year 2022/23 was 417 after Tumbi Regional Referral Hospital Staff being transferred to Ministry of Health (2020/21: 642).

### **2.7 RELATED PARTY TRANSACTIONS**

Details of related party transactions during the year ended 30 June 2023 have been appropriately disclosed in the note No.28 to the financial statements.

### **2.8 POLITICAL AND CHARITABLE DONATIONS**

The Centre did not make any political and charitable donations during the year under review.

## 2.9 GENDER PARITY

The Centre gives equal opportunity to all Tanzanians during recruitment and filling of Management positions if applicants have the necessary qualifications, qualities, and abilities, regardless of their gender. At management level, there are 2 female employees (2021/22: 2 employees), out of 5 Directorates 1 Directorate is headed by a female employee (2021/22: 1 female head of directorate).

## 2.10 HIV/AIDS POLICY

The Centre implements Government's Policy and Directives on HIV/AIDS through seminars to its employees on issues relating to effects and prevention of HIV/AIDS, it also provides special package on every Month to the HIV positive employee who voluntary and under confidentiality decided to inform employer about their situation.

## 2.11 ENVIRONMENTAL CONTROL PROGRAM

The Centre has continued to keep and maintain lawn, trees, and flowers, managing solid waste, minimising the use of charcoal and firewood in colleges and schools, continued to provide the available fire-fighting system to help the community around the Centre.

## 2.12 CORPORATE SOCIAL RESPONSIBILITY

The Centre continued to provide training to small holder farmers' community of Kibaha Town Council on how to prepare yoghurt. During the financial year 2022/23 the centre reached 282 small farmers (2021/2022) 277 small farmers) in community of Kibaha Town Council were trained.

## 2.13 CORPORATE GOVERNANCE

The Board of Directors of Kibaha Education Centre is composed of Nine (09) Members. The Board of Directors is the highest decision-making organ of the Centre (In its absence the Permanent Secretary PO-RALG assumes its responsibilities). It is responsible for governing, controlling and administering the Centre by making strategic decisions; formulating by-laws and regulations; approving different policies to enhance the academic excellence of the Centre; Ensuring control and administration of the Centre and ensuring proper management of the Centre's human, financial and physical resources; identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles. The Audit Committee is often given special assignments by the Chairman of the Board of Directors to assist the Board on issues related to improvement internal control and Corporate Governance.

The Board of Directors is required to meet at least four times a year. The Board of Directors delegates the day-to-day management of the business to Director General assisted by Senior Management Team. Senior Management team is invited to attend Board of Director

meetings and facilitates the effective control of all the Centre's operational activities, acting as a medium of communication and coordination between various business departments/units.

During the period ended 30 June 2023, three Board meetings were conducted.

### 2.13.1 Composition of the Board of Directors

The Board members were as follows: -

**Table 2 : Composition of the Board of Directors**

S/No.	Name of Member	Age	Position	Qualification	Nationality	Tenure
1.	Prof. Raphael T. Chibunda	57	Chairman	PhD, Economics	Tanzanian	From 14/02/2020 to 14/2/2023
2.	Dr. Wilhelm Leonard Mafuru	52	Member	PhD (Public Administration-Sociology of Law)	Tanzanian	From 14/02/2020 to 14/2/2023
3.	Ms. Beatrice Raphael Kimoleta	44	Member	MA. Public Administration	Tanzanian	From 14/02/2020 to 14/2/2023
4.	Dr. Loishooki Saitore Laizer	49	Member	MA. (Master of Medicine), MA. Health Systems Management (MHSM)	Tanzanian	From 14/02/2020 to 14/2/2023
5.	Ms. Theresia Emilian Henjewe	51	Member	MA.EPM MA. (ECONOMICS)	Tanzanian	From 14/02/2020 to 14/2/2023
6.	Mr. Mathias Innocent Mvula	55	Member	MBA	Tanzanian	From 14/02/2020 to 14/2/2023
7.	Ms. Hadija A. Mcheka	52	Member	MA. (Education)	Tanzanian	14/02/2020
8	Ms. Sarah Msafiri	41	Member	MBA (Corporate Management)	Tanzanian	From 09/08/2021 to 14/02/2023
9.	Mr. Robert B. Shilingi	55	Secretary	MBA	Tanzanian	14/02/2020

Source: Board of Directors appointment letters

Except for Mr. Robert B. Shilingi, the Director General of the Centre, all other directors are non-executive. All members of the Board were Tanzanians aged below seventy (70) years.

The Centre is committed to the principles of effective corporate governance. The Board of Directors also recognizes the importance of integrity, transparency, and accountability as key pillars in meeting the Centre mandates. To ensure a high standard of corporate governance, the Board of Directors has four committees performing specific duties that complement each other in making the Board of Directors to realize its functions.

## Current Status of the Board

The three years tenure of the KEC' Board of Directors ended on 14 February 2023 thus, currently the Centre has only one Board member who do not constitute a quorum to approve and adopt the Financial Reports: In lieu of, the Centre uses the Permanent Secretary PO-RALG to approve the Reports.

### 2.13.2 Disciplinary and Recruitment Committee

Disciplinary and recruitment committee assists on all matters pertaining to staff appointment, promotion, discipline, retention, and recruitment. The members of this Committee were: -

**Table 3 : Disciplinary and Recruitment Committee**

S/No.	Name	Position	Qualifications
1.	Dr. Wilhelm L. Mafuru	Chairperson	PhD (Public Administration-Sociology of Law)
2.	Ms Chiku A. Wahady	Secretary	Master of Public Administration and Masters of Public Policy and Good Governance
3.	Ms. Hadija A. Mcheka	Member	MA. (Education)
4.	Dr. Loishooki S. Laizer	Member	(Master of Medicine), MA. Health Systems Management (MHSM)
5.	Ms. Beatrice R. Kimoleta	Member	MPA. Master of Public Administration

Source: Disciplinary and Recruitment Committee meeting minutes.

### 2.13.3 Budget, Investment and Development Committee

This committee advises the Board in all matter related to the Centre Investment opportunity and Budgeting issues. The members of this Committee were: -

**Table 4 : Budget and Investment Committee**

S/No.	Name	Position	Qualifications
1.	Ms. Theresia E. Henjewe	Chairperson	MA.EPM, MA. (ECONOMICS)
2.	Ms. Hildergarda Saudari	Secretary	BSc, MA. (Economics)
3.	Ms. Sarah Msafiri	Member	MBA (Corporate Management)
4.	Dr. Loishooki S. Laizer	Member	MA. (Medicine), MA. Health Systems Management (MHSM)

Source: Budget and Investment Committee meeting minutes.

### 2.13.4 Audit Committee

This committee assists the Board of Directors in fulfilling its oversight responsibilities on financial reporting, the system of internal control over financial reporting, the audit process and the Centre's process for monitoring compliance with laws and regulations. The members of this Committee were as follows: -

Table 5 : Audit Committee

S/No.	Name	Position	Qualifications
1.	Mr. Mathias Innocent Mvula	Chairperson	MBA (Corporate Finance)
2.	Mr. Philemon Msegu	Secretary	Post Graduate Diploma in Legal Practice (GDLP), Bachelor of Law (LL. B)
3.	Mr. Mshamu M. Omary	Member	MSc, Procurement and Supplies Chain Management, Certified Procurement and Supplies Professional (CPSP)
4.	Mr. Samwel Stephano Mangi	Member	MBA (Corporate Finance) and Certified Public Accountant (CPA-T)

Source: Audit committee meeting minutes and appointment letters.

### 2.13.5 Tender Board

The Tender Board performs the functions as provided in the Public Procurement Act, 2011 (as amended 2016). It is appointed by the Director General in compliance with the Public Procurement of 2011 Act and its regulations as amended. The names of the Tender Board Committee Members, who served KEC during the year ended 30 June 2023 are as follows: -

Table 6 : Tenders Board members who served KEC during the year ended 30 June 2023

S/No.	Name	Position	Qualifications	Date of Appointment
1.	CPA Godfrey G. Kisiga	Chairman	Master of Business Administration in Finance (MBA-Finance) and Certified Public Accountant (CPA-T)	01.02.2023
2.	Mr. Jones Igembe	Secretary	MSc, Procurement and Supplies Chain Management, Certified Procurement and Supplies Professional (CPSP)	01.02.2023
3.	Mr. Anathe Nnko	Member	BSc. Agriculture; MA Science in Soil Science and Land Management	01.02.2023
4.	Ms. Hildegarda Saudary	Member	BSc, MA. (Economics)	01.02.2023
5.	Mr. Chrisdom Ambilikile	Member	MA. (Business Administration)	01.02.2023
6.	Mr. Annen Kimambo	Member	Master of Science in Business Administration Post Graduate Diploma- Electronics and Information Technology	01.02.2023

Source: Tender board meeting minutes.

### 2.13.6 Meetings of the Board and its Committees

The Board held three ordinary meetings and none extra ordinary meetings during the year. In addition, there were various meetings of the Board committees. All members of the Board showed to be willing and devoted their time required for the Board meetings. Below are the summaries indicating the main issues discussed in board meetings and the number of meetings attended by Members of the Board/Committee from 1 July 2021 to 30 June 2023.

Table 7 : Main Issues discussed in the Board Meetings

S/N	Date	Meeting Number	
1	29 October 2021	NA.121	<p>Receive and discuss first Quarter Implementation report.</p> <p>Receive and discuss Director General's Report.</p> <p>Receive, discuss, and deliberate on KEC Annual Report of 2022/23 Receive, discuss, and approve KEC Annual Procurement Plan, 2022/23.</p> <p>Discuss Internal and External Auditors Reports and issue directives to Management.</p>
2	17 March 2023	NA.122	<p>Receive and discuss Director General's Report.</p> <p>Receive, discuss, and deliberate on KEC Second Quarter Progress Report (October -December, 2023).</p> <p>Discuss and Deliberate on KEC Quarterly Financial Reports.</p> <p>Receive, discuss, and approve Board Committees Third Quarter Reports In camera issues</p>
3	02 February 2023	NA.123	<p>Receive and discuss Director General's Report.</p> <p>Receive, discuss, and deliberate on KEC Annual Reports of 2022/23 Receive, discuss and approve KEC Annual Budget for the year 2022/23 Review of the Budget Implementation of 2022/23.</p> <p>Receive, discuss, and deliberate on KEC Annual Financial Reports Deliberation of not consolidating Tumbi Regional Referral Hospital in KEC Financial Reports.</p> <p>Discuss Internal and External Auditors Reports and issue directives, Human Resources Issues discussed including promotions, recategorization, disciplinary issues and appointments.</p>

Table 8 : Meetings attended by Members of the Board/Committee

S/No.	Name of Director	Number of Meetings			
		BOD	BAC	BEDC	BBIDC
1.	Prof. Raphael T. Chibunda	3			
2.	Dr. Wilhelm Leonard Mafuru	3		3	
3.	Ms. Beatrice Raphael Kimoleta	3		3	
4.	Dr. Loishooki Saitore Laizer	3		3	3
5.	Ms. Theresia Emilian Henjewe	3			3
6.	Mr. Mathias Innocent Mvula	3	3		
7.	Dr. Hadija A. Mcheka	3		2	
8.	Ms. Sarah Msafiri	3		1	
9.	Mr. Robert B. Shilingi	3	3	3	3

Source: Board and Committee's meeting minutes for the year 2022/23.

**KEY:**

**BOD:** Board of Directors

**BAC:** Board Audit Committee

**BEDC:** Board Employment and Disciplinary Committee

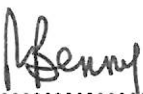
**BBIDC:** Board Budget, Investment and Development Committee

**2.14 ACCOUNTING IMPLICATIONS ON THE EFFECTS OF CORONA VIRUS (COVID - 19)**

The corona virus (COVID-19) pandemic has emerged in Tanzania in the mid of March 2020. In the financial year 2022/23 the Centre had NO reported cases of Corona virus effects after most of KEC vulnerable groups served with vaccinations. Thus, comparably during the year no significant costs incurred for buying Personal Protective Equipment (PPE), no quarantine, no non-physical impact on TRRH staff like stress, tension, and physiological impacts. Likely, certain exposures to risks and rewards and the relative size of each kind of risk have decreased. For example, late payment risk and/or credit risk due to Coronavirus had become low significant as compared to other risks.

**2.15 AUDITORS**

The Controller and Auditor General is the statutory auditor of the Kibaha Education Centre by virtue of article 143 of the Constitution of the United Republic of Tanzania, and as amplified in section 32 (4) of the Public Audit Act, Cap 418. However, in accordance with Section 33 (1) of the Act, M/S BMF Associates has been authorized to carry out the audit of the Centre on behalf of the Controller and Auditor General as from July 2023

  
 .....  
 ROBERT B. SHILINGI  
 DIRECTOR GENERAL

  
 .....  
 PERMANENT SECRETARY,  
 PO - RALG

DATE: 08/03/2024.....




**3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE**


These financial statements have been prepared by the management of the Kibaha Education Centre in accordance with the provisions of Sect 30(4) of the Public Finance Act, Cap. 348. The financial statements as required by the said Act are presented in a manner consistent with the International Public Sector Accounting Standards (IPSAS) - Accrual basis of accounting.

The Management of Kibaha Education Centre is responsible for establishing and maintaining a system of effective Internal Control designed to provide reasonable assurance that the transactions recorded in the accounts are within the statutory authority and that they contain the receipt and use of all public financial resources by Kibaha Education Centre.

To the best of our knowledge, the systems of Internal Controls have operated adequately throughout the reporting period and that the financial statements and underlying records provide a reasonable basis for the preparation of the financial statements for the 2022/23 financial year.

We accept responsibility for the integrity of the financial statements, the information they contain and their compliance with the Public Finance Act, Cap. 348 and instructions issued by Treasury in respect of the year under review.

  
.....  
ROBERT B. SHILINGI  
DIRECTOR GENERAL

  
.....  
PERMANENT SECRETARY,  
PO - RALG

DATE: 08/03/2024.....

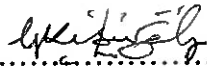
**KIBAHA EDUCATION CENTRE  
DECLARATION OF THE HEAD OF FINANCE**

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/Accounting 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 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 Directors Responsibility statement on an earlier page.

I, CPA. Godfrey G. Kisiga, being the Head of Finance of Kibaha Education Centre hereby acknowledges my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance with applicable accounting standards and statutory requirements.

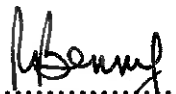
I thus confirm that the financial statements give a true and fair view position of Kibaha Education Centre as at 30 June 2023 and that they have been prepared based on properly maintained financial records.

SIGNED BY: ..........  
POSITION: DIRECTOR OF FINANCE & ACCOUNTS  
NBAA MEMBERSHIP NO: ACPA 2260  
DATE: 08/03/2024 .....


## 4.0 FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

		2022/23	2021/22
	Note	TZS	TZS
<b>ASSETS</b>			
<b>Current Asset</b>			
Cash and Cash Equivalents	14	112,450,052	272,020,757
Receivables	15	664,474,433	590,096,578
Prepayments	16	149,019,860	47,100,826
Inventories	17	222,709,833	254,613,687
Other Financial Assets	18	48,500,000	48,500,000
<b>Total Current Asset</b>		<b><u>1,197,154,178</u></b>	<b><u>1,212,331,848</u></b>
<b>Non-Current Asset</b>			
Property, Plant and Equipment	20	137,562,108,488	136,505,008,577
Biological Assets	21	88,000,000	85,097,500
Work In Progress	22	370,779,581	839,898,357
<b>Total Non-Current Asset</b>		<b><u>138,020,888,069</u></b>	<b><u>137,430,004,434</u></b>
<b>TOTAL ASSETS</b>		<b><u>139,218,042,247</u></b>	<b><u>138,642,336,282</u></b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables and Accruals	23	527,553,504	579,193,215
Deposits	19	3,451,376	2,422,576
<b>Total Current Liabilities</b>		<b><u>531,004,880</u></b>	<b><u>581,615,791</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>531,004,880</u></b>	<b><u>581,615,791</u></b>
<b>Net Assets</b>		<b><u>138,687,037,367</u></b>	<b><u>138,060,720,491</u></b>
<b>NET ASSETS/EQUITY</b>			
<b>Capital Contributed by:</b>			
Taxpayers/Share Capital		115,563,238,148	115,563,238,148
Accumulated Surpluses / (Deficits)		<u>23,123,799,219</u>	<u>22,497,482,343</u>
<b>TOTAL NET ASSETS/EQUITY</b>		<b><u>138,687,037,367</u></b>	<b><u>138,060,720,491</u></b>

.....  
  
 ROBERT B. SHILINGI  
 DIRECTOR GENERAL

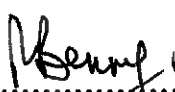
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 PERMANENT SECRETARY,  
 PO - RALG

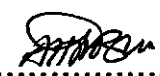
## KIBAHA EDUCATION CENTRE

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 TZS	2021/2022 TZS
<b>REVENUE</b>			
Revenue			
Revenue Grants	3	6,934,975,911	-
Revenue from Exchange Transactions	4	53,275,500	84,474,600
Fees, Fines, Penalties and Forfeits	5	1,777,500	-
Other Revenue	6	1,343,169,049	1,281,562,253
Subvention from other Government entities	7	1,226,428,170	14,047,912,120
<b>TOTAL REVENUE</b>		<b>9,559,626,130</b>	<b>15,413,948,973</b>
<b>EXPENSES AND TRANSFERS</b>			
Expenses			
Wages, Salaries and Employee Benefits	8	6,649,822,486	11,638,502,505
Use of Goods and Service	9	1,340,577,070	1,276,143,913
Maintenance Expenses	10	63,685,604	255,801,249
Depreciation of Property, Plant and Equipment	20	790,250,627	732,722,565
Other Expenses	11	56,655,762	97,758,044
Social Benefits	12	32,317,705	15,213,780
<b>Total Expenses</b>		<b>8,933,309,254</b>	<b>14,016,142,056</b>
Transfer			
Other Transfers	13	-	3,000,000
Total Transfer		-	3,000,000
<b>TOTAL EXPENSES AND TRANSFERS</b>		<b>8,933,309,254</b>	<b>14,019,142,056</b>
<b>Surplus for the year</b>		<b>626,316,876</b>	<b>1,394,806,917</b>

.....  
  
 ROBERT B. SHILINGI  
 DIRECTOR GENERAL


DATE: 08/03/2024 .....

.....  
  
 PERMANENT SECRETARY,  
 PO - RALG

KIBAHHA EDUCATION CENTRE

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Taxpayer's Fund	Accumulated Surplus/(Deficit)	Total
	TZS	TZS	TZS
Opening Balance as at 1 Jul 2022	115,563,238,148	22,497,482,343	138,060,720,491
Adjustment			
Surplus for the Year	-	626,316,876	626,316,876
Closing Balance as at 30 June 2023	115,563,238,148	23,123,799,219	138,687,037,367
Opening Balance as at 1 Jul 2021	124,716,363,371	23,802,821,284	148,519,184,655
Adjustment	(9,153,125,223)	(2,700,145,859)	(11,853,271,082)
Surplus for the Year	-	1,394,806,918	1,394,806,918
Closing Balance as at 30 June 2022	115,563,238,148	22,497,482,343	138,060,720,491

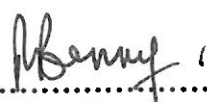
  
 .....  
 ROBERT B. SHILINGI  
 DIRECTOR GENERAL

DATE: 08/03/2024  
 .....


  
 .....  
 PERMANENT SECRETARY,  
 PO - RALG

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

		TZS 2022/23	TZS 2021/22
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>NOTE</b>		
<b>RECEIPTS</b>			
Subvention from other Government entities	33	1,173,786,690	14,034,764,228
Revenue Grants	30	6,579,385,925	-
Revenue from Exchange Transactions	31	53,275,500	91,211,800
Other Revenue	6	1,343,169,049	1,281,562,253
Increase in Deposit	32	1,028,800	2,422,576
Fees, Fines, Penalties and Forfeits	5	1,777,500	-
<b>Total Receipts</b>		<b>9,152,423,464</b>	<b>15,409,960,857</b>
<b>PAYMENTS</b>			
Wages, Salaries and Employee Benefits	34	6,641,080,954	11,917,750,805
Use of Goods and Service	35	1,545,351,348	1,804,532,617
Social Benefits	12	32,317,705	15,213,780
Other Transfers	13	-	3,000,000
Other Expenses	36	56,655,762	1,078,135,696
Maintenance Expenses	37	63,685,604	255,419,241
<b>Total Payments</b>		<b>8,339,091,371</b>	<b>15,074,052,139</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>813,332,091</b>	<b>335,908,718</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for Work in Progress	38	(755,481,336)	(699,898,357)
Acquisition of Property, Plant and Equipment	39	(217,421,430)	(25,680,745)
Acquisition of Biological Assets	40	-	(7,747,500)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(972,902,796)</b>	<b>(733,326,602)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(159,570,705)</b>	<b>(397,417,884)</b>
Cash and cash equivalent at beginning of period		272,020,757	932,873,352
Cash transferred to Tumbi Hospital		-	(263,434,711)
Cash and cash equivalent at end of period		112,450,052	272,020,757

.....  
  
 ROBERT B. SHILINGI  
 DIRECTOR GENERAL

DATE: 08/03/2024 .....

.....  
  
 PERMANENT SECRETARY,  
 PO - RALG

**RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT) FOR THE YEAR  
ENDED 30 JUNE 2023**

	2022/23	2021/22
	TZS	TZS
Surplus/ Deficit for the Period	626,316,876	1,394,806,918
General Government Units- non-monetary	(355,589,986)	-
Depreciation of Property, Plant and Equipment	790,250,627	732,722,565
Non-Monetary Revenue - Capital	(49,738,980)	
Non-Monetary Revenue - Current	(2,902,500)	(7,747,500)
 Add/ (Less) Change in Working Capital		
Deferred Income	-	(5,400,392)
Deposit	1,028,800	-
Inventories	31,903,854	33,753,127
Other Payments	-	(42,983,611)
Other Receipt	-	45,406,187
Payables and Accruals	(51,639,711)	(1,881,575,472)
Prepayments	(101,919,034)	(8,267,349)
Receivables	<u>(7,377,855)</u>	<u>75,194,245</u>
Net Cash Flow from Operating Activities	<u>813,332,091</u>	<u>335,908,718</u>

.....  
ROBERT B. SHILINGI  
DIRECTOR GENERAL

DATE: 08/03/2024.....


.....  
PERMANENT SECRETARY,  
PO - RALG

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023								
Details	Original Budget	Reallocations/	Final Budget (B)	Actual Amount	Difference - Final Budget Vs Actual	Percentage changes	Remarks	
		Adjustments						
	TZS	TZS	TZS	TZS	TZS			
RECEIPTS								
Subvention from Other Government Entities	11,175,131,000	-	11,175,131,000	7,753,172,615	(3,421,958,385)	(30.62)	The amount received from the government was less than the estimated budget	
Revenue from Exchange Transactions	1,706,953,000	-	1,706,953,000	1,399,250,850	(307,702,150)	(18.03)		
Total Receipts	12,882,084,000	-	12,882,084,000	9,152,423,465	(3,729,660,535)			
PAYMENTS								
Wages, Salaries and Employee Benefits	9,900,374,846	(7,000,000)	9,893,374,846	6,641,080,954	3,252,293,892	32.87	Removal of Tumbi Hospital from KEC reduced wages and Salaries of employees as budgeted. The Budget was before the separation	
Use of Goods and Service	1,485,227,509	92,000,000	1,577,227,509	1,501,342,368	75,885,141	4.81		
Social Benefits	55,568,265	(10,000,000)	45,568,265	32,317,705	13,250,560	29.08	Separation of Tumbi hospital from KEC decreases the number of staff, hence the social benefit reduced	
Other Transfers	15,600,000	-	15,600,000	-	15,600,000	100	Due Financial constraints the entity could not contribute to	




## CENTRE (KEC)

									the consolidated fund as planned
Other Expenses	154,884,000	(21,000,000)	133,884,000	56,655,762	77,228,238	57.78			Due to financial constraints KEC reduced its expenses
Maintenance Expenses	1,270,429,380	(54,000,000)	1,216,429,380	63,685,604	1,152,743,776	94.76			Due to Financial Constraints maintenance costs were reduced
Total Payment	12,882,084,000	-	12,882,084,000	8,295,082,393	4,587,001,607				
Net Receipts/Payments	-	-		857,341,072	857,341,072				

.....  
  
 ROBERT B. SHILONGI  
 DIRECTOR GENERAL

DATE: 08/03/2020.....

.....  
  
 PERMANENT SECRETARY,  
 PO - RALG

## **6.0 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

### **1. ORGANIZATION INFORMATION**

The reporting entity of these financial statements is the Kibaha Education Centre which was established under order GN. No.2 of 1970 which governs its operations. The principal activities of the Centre are to promote Agricultural developments, provision of school education services and provision of health services.

### **2. SIGNIFICANT NOTES AND ACCOUNTING POLICIES AND ESTIMATES**

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

#### **a) 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 cost adjusted for revaluation of assets to ascertain the deemed cost. The financial statements have been prepared on accrual 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.

The financial statements are presented in Tanzanian Shillings (TZS) and were prepared using "Mfumo wa Ulipaji Serikalini (MUSE)".

#### **b) Changes in accounting policy and disclosures**

New and amended standards adopted by the Centre

Several new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 July 2022 and have been applied in preparing these financial statements. The standards had no material impact on the amounts reported in these financial statements.

#### **IPSAS 41, Financial Instruments**

IPSAS 41, 'Financial Instruments' was issued by the International Public Sector Accounting Standards Board (IPSASB) in August 2018. The objective of the standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This standard is effective for financial statements beginning on or after 1 January 2022.

## **IPSAS 42, Social Benefits**

IPSAS 42, "Social Benefits" was issued by the International Public Sector Accounting Standards Board (IPSASB) in January 2019. The objective of the standard is to improve the relevance, faithful representativeness, and comparability of the information that a reporting entity provides in its financial statements about social benefits as defined in this standard. The information provided should help users of the financial statements and general-purpose financial reports to assess the nature of such social benefits provided by the entity; the key features of the operation of those social benefit schemes; and the impact of such social benefits provided on the entity's financial performance, financial position, and cash flows. This standard is effective for financial statements beginning on or after 1 January 2022.

**Standard issued but not yet effective:**

## **IPSAS 43 - Leases**

The effective date of this standard is 1 January 2025. For lessees, this standard introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13 Leases. For lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to ownership model in IPSAS 13.

The entity expects no material impact on the financial position and financial performance because of the adoption because the Centre owns the properties it occupies.

### **c) Summary of Significant Accounting Policies**

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

### **d) Reporting Period**

The reporting period of these Financial Statements is the financial year of the Government which is from 1 July 2022 to 30 June 2023.

### **e) Foreign Currency Translation Functional and Presentation Currency**

Items included in the financial statements of the Centre 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.

### **f) Cash and Cash Equivalents**

Cash and bank balances in the statement of financial position comprise cash at banks and short-term deposits with an original maturity of three months or less and is measured at amortized cost. For the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

#### g) Unspent Cash Balance

In accordance with the requirement of the Public Finance Act Cap.348. Unspent cash balances by the Centre at the end of the financial year are remaining in Bank Account of the Centre for consumption in the following financial year.

#### h) Employee's Benefits

Employee benefits include salaries, pensions and other related - employment costs. Employee benefits are recognized on accrual basis. The Government operates a defined benefit plan. Different plans and contribution rates for employer and employees are detailed below: -

**Table 9 : Employee's Benefits**

S/No.	Name of the Fund	Employer Contribution	Employee Contribution
1.	National Social Security Fund	10%	10%
2.	PSSSF	15%	5%
3.	WCF	0.5%	0% (Government)

Additionally, the Government operate insured (NHIF) plan where contributions are made by the employer and employee, each contributing 3% of gross salary of the respective employee.

#### i) Revenue from Exchange transaction

Revenue is recognized when is probable that the economic benefit associated with the transaction will flow to the Centre and the amount of the revenue can be measured reliably.

#### j) Revenue from non-exchange transactions

Revenue from non-exchange transactions is governed by IPSAS 23 and mainly comprises Exchequer Revenue. Exchequer Revenue is recognized after amortization of Recurrent Differed Income and Development Differed income realised during the year under review.

#### k) Receivables from non-exchange transactions

Are established when the Centre owed asset or service (usually in a form of cash) that arises from a transaction that does not directly give approximately equal value in exchange, or the Centre has given to another entity without directly receiving approximately equal value in exchange. The Centre recognizes receivable when staff fail to retire imprest advanced to them in time.

#### l) Expenses

In general, expenses are recognized when are incurred.

#### m) 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 Centre 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, guidance through Government Asset Guideline issued on 30 April 2019 and the accounting policies applicable.

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.

## n) Depreciation

The Centre has adopted straight line method for depreciation of Assets which is allocated systematically over the useful life of the respective assets as issued in Government Asset Guideline on 30 April 2019 and the accounting policies applicable. The depreciable amount of an asset shall be 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.

### Estimated Useful Life (EUL)

Assets have 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: -

Asset Category	Useful life in years	Depreciation Rate Percentage (%)
Land Development Cost	10	10
Residential Buildings	50	2
School Buildings	75	1.3
Office Buildings	50	2
Water System	15	6.7
Drainage System	15	6.7
Motor Vehicle Less than 5 Tones	5	20
Plant and Machinery	15	6.7
Furniture, Fixture and Equipment	10	20
Computer Hardware	5	20

The entity has reassessed the useful lives of the following assets:

ASSETS	PREVIOUS USEFUL LIVES	NEW USEFUL LIVES
Furniture	5 years	15 years
Plant	15 years	40 years
Computer	5 years	8 years
Office Equipment	5 years	10 years

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.

#### TESTING FOR IMPAIRMENTS OF THE FIXED ASSETS

Assets Category	Useful life in Years	Observed Indicators for Impairment during the year	Impairment Loss, if any	Remarks
Land Development	10	No impairment	0	No impairment
Residential Buildings	50	No indicator is observed	0	All buildings perform in accordance with the purpose of their construction
School Buildings	75	No indicator is Observed	0	No impairment
Office Buildings	50	No indicator is Observed	0	No impairment
Water system	15	No indicator is Observed	0	No impairment
Drainage System	15	No indicator is Observed	0	No impairment
Motor Vehicle less than 5 tones	5	No indicator is Observed	0	No impairment
Plant and Machinery	15	No indicator is Observed	0	No impairment
Furniture, Fixture and Equipment	10	No indicator is Observed	0	No impairment
Computer hardware	5	No indicator is Observed	0	No impairment

#### o) Inventories

Inventories held for distribution at no charge or for a nominal charge are stated at the lower of cost and current replacement cost. Costs incurred in bringing each product to its present location and condition, are accounted for as follows: Stationeries and other consumables- cost is determined on First in First Out basis.

**p) Events after Reporting Date**

Events after the reporting period are those events, favourable and unfavourable, 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:

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

**q) 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 fair value. This approximates fair value due to their short-term nature. In the Centre, financial liability is the only financial instrument which is recognized from supplies of goods or services those which are not yet paid at reporting date.

**r) Deferred income revenue**

This relates to Centre fund received in which the related expenses have not been incurred, therefore the amount has been deferred to the next financial period. Income received in monetary form for recurrent expenditure are recognized as deferred income revenue in the Statement of Financial Position and are released to the Statement of Financial Performance when recurrent expenditure is incurred.

**Significant Accounting Judgements, Estimates and Assumptions**

The preparation of the Centre's 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.

- **Judgements**

In the process of applying the Centre's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements:

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

- **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.

**s) Biological Assets**

Biological assets are measured on initial recognition and at the end of each reporting date at fair value less estimated cost to sale. The fair value of livestock is determined based on the market price of ~~like~~ of similar age, breed, and genetic merit. Where market prices or values are not available the present value of the expected net cash inflows from the assets discounted at a current market-determined rate is used to determine the fair value.

**t) Related Party Transactions**

Unless otherwise disclosed, all transactions with related parties are on an arm's length basis at market related prices. The Centre has a related party relationship with its executive management. Since the Kibaha Education Centre is a state-controlled Corporation, it also has a related party relationship with all other state-controlled Corporations.

**u) Transactions with Key Management Personnel**

Key Management Personnel compensation are included under staff costs. None of the key management personnel has any significant influence with any entity with whom the Centre has had significant transaction with.

	2022/23 (TZS)	2021/22 (TZS)
<b>3 - Revenue Grants</b>		
Government Grant Development Foreign	51,451,370.00	-
Government Grant Development Local	721,191,030.00	-
Government Grant Personal Emolument	5,806,743,525.00	-
Revenue Grants - Non-Monetary	355,589,986.00	-
	<u>6,934,975,911</u>	<u>-</u>
	2022/23 (TZS)	2021/22 (TZS)
<b>4 - Revenue from Exchange Transactions</b>		
Agriculture and Farm produce	13,035,500.00	22,949,000.00
Receipt from Conference Facilities	40,240,000.00	55,857,000.00
Sewage Disposal	-	5,668,600.00
	<u>53,275,500.00</u>	<u>84,474,600.00</u>
	2022/23 (TZS)	2021/22 (TZS)
<b>5 - Fees, Fines, Penalties and Forfeits</b>		
Overload Charge	<u>1,777,500.00</u>	<u>-</u>



	1,777,500.00	-
	2022/23 (TZS)	2021/22 (TZS)
<b>6 - Other Revenue</b>		
Miscellaneous Receipts	170,956,171.00	16,243,728.00
Movement Permit Fee other than Livestock Market	61,779,000.00	57,436,412.00
Receipts from Land	365,184,378.00	314,317,847.00
Receipts from Tuition Fees	744,229,500.00	893,544,266.00
Tender Documents	1,020,000.00	20,000.00
	<b>1,343,169,049.00</b>	<b>1,281,562,253.00</b>
	2022/23 (TZS)	2021/22 (TZS)
<b>7- Subvention from other Government entities</b>		
Government Grant Development Local	-	80,000,000.00
Non-Monetary Revenue - Capital	49,738,980.00	-
Revenue Grants - Non-Monetary	2,902,500.00	7,747,500.00
Subvention for Other Charges	1,067,270,715.00	2,936,692,463.00
Subvention for Personal Emolument	106,515,975.00	11,023,472,157.00
	<b>1,226,428,170.00</b>	<b>14,047,912,120.00</b>
	2022/23 (TZS)	2021/22 (TZS)
<b>8 - Wages, Salaries and Employee Benefits</b>		
Casual Labourers	15,613,000.00	9,951,226.00
Civil Servants	5,913,259,500.00	11,032,451,242.00
Court Attire Allowance	-	500,000.00
Electricity	7,220,000.00	12,130,704.00
Electricity Allowance	39,958,000.00	400,000.00
Extra-Duty	147,578,745.00	112,095,685.00
Field (Practical Allowance)	30,658,253.00	7,195,000.00
Food and Refreshment	51,397,679.00	28,308,357.00
Furniture	38,480,000.00	-
Heavy Teaching Load Allowance	7,500,000.00	-
Honoraria	-	46,641,795.00
Housing Allowance	53,725,000.00	90,330,000.00
Invigilators Allowances	18,410,000.00	12,690,000.00
Leave Travel	70,918,040.00	48,152,684.00
Moving Expenses	-	3,669,043.00
Non-Civil Servant Contracts	-	17,679,500.00
Responsibility Allowance	29,405,833.00	14,480,000.00
Sitting Allowance	128,394,342.00	81,176,554.00
Special Allowance	14,340,446.00	-
Subsistence Allowance	20,913,238.00	34,824,869.00
Teachers	41,000,000.00	60,000,000.00
Telephone	20,474,000.00	25,596,783.00
Water and Waste Disposal	576,410.00	229,063.00
	<b>6,649,822,486.00</b>	<b>11,638,502,505.00</b>

	2022/23 (TZS)	2021/22 (TZS)
<b>9- Use of Goods and Service</b>		
Advertising and publication	4,950,000.00	832,608.00
Agricultural Implements	12,000,000.00	-
Animal Feeds	11,794,590.00	5,939,280.00
Books, Reference and Periodicals	-	88,000.00
Bottled Gas	10,074,000.00	28,867,852.00
Capitation Costs	97,689,690.00	-
Charcoal	-	4,970,000.00
Classroom Teaching Supplies	8,855,000.00	14,566,700.00
Cleaning Supplies	2,964,000.00	-
Clothing and Attachment	700,000.00	-
Coal	-	60,000.00
Computer Supplies and Accessories	20,584,445.00	27,875.00
Conference Facilities	2,800,000.00	400,000.00
Contract based training services	-	1,104,000.00
Diesel	21,623,137.00	26,375,534.00
e Training Materials	92,861,377.00	-
Electricity	10,479,960.00	58,645,344.00
Entertainment	200,000.00	11,661,000.00
Examination Expenses	3,847,000.00	301,404,087.00
Exhibition, Festivals and Celebrations	8,500,000.00	2,298,000.00
Food and Refreshments	-	2,300,000.00
Gifts and Prizes	6,433,200.00	8,550,000.00
Ground Transport (Bus, Train, Water)	937,759.00	510,257.00
Ground travel (bus, railway taxi, etc)	15,436,392.00	6,140,515.00
Internet and Email connections	29,733,050.00	5,712,292.00
Laboratory Supplies	-	18,642,800.00
Laundry and Cleaning	-	4,957,000.00
Office Consumables (papers, pencils, pens and stationaries)	31,864,538.00	109,170,882.00
Per Diem - Domestic	310,218,650.00	236,775,917.00
Petrol	7,185,280.00	11,678,775.00
Printing and Photocopying Costs	17,263,325.00	8,052,780.00
Production and Printing of Training Materials	8,100,000.00	700,000.00
Remuneration of Instructors	560,000.00	3,117,100.00
Schools Laboratory Supplies	7,932,240.00	-
Seeds	2,160,000.00	-
Sewage Charges	-	384,635.00
Small engineering tools and equipment	2,570,000.00	-
Sporting Supplies	-	8,950,000.00
Student meals	527,075,131.00	310,680,409.00
Technical Materials	1,710,000.00	-
Technical Service Fees	1,274,400.00	121,540.00
Training Allowances	10,780,000.00	25,659,000.00
Tuition Fees	15,975,000.00	6,455,318.00
Uniforms	-	1,000,000.00
Uniforms and Ceremonial Dresses	-	840,000.00
Water Charges	33,444,906.00	48,504,413.00
	<b>1,340,577,070.00</b>	<b>1,276,143,913</b>

	2022/23 (TZS)	2021/22 (TZS)
<b>10 - Maintenance Expenses</b>		
Cement, Bricks and Building Materials	26,030,204.00	67,302,947.00
Cement, bricks and construction materials	2,998,078.00	5,918,006.00
Computers, printers, scanners, and other equipment	2,748,854.00	3,808,100.00
Fax machines and other small office equipment	1,785,000.00	-
Fire Protection Equipment	880,000.00	-
Mechanical, electrical, and electronic spare parts	-	2,115,000.00
Motor Vehicles and Watercraft	7,899,978.00	12,209,000.00
Outsource maintenance contract services	-	110,619,850.00
Repair and Maintenance of Furniture	-	21,995,000.00
Repair and Maintenance of Sewerage System	263,000.00	3,354,940.00
Roofing Materials	14,938,589.00	-
Small Tools and Implements	1,896,901.00	22,347,356.00
Spare Parts	4,245,000.00	3,559,250.00
Wood and Timber Supplies	-	2,571,800.00
	<b>63,685,604.00</b>	<b>255,801,249.00</b>

	2022/23 (TZS)	2021/22 (TZS)
<b>11 - Other Expenses</b>		
Audit fees	30,845,000.00	37,638,331.00
Burial Expenses	450,000.00	5,800,100.00
consultancy fees	4,250,000.00	10,058,009.00
Director's Fee	14,987,042.00	40,750,000.00
Legal fees	1,170,000.00	1,890,000.00
Registration Fees	4,953,720.00	-
Terminal Charges	-	1,621,604.00
	<b>56,655,762.00</b>	<b>97,758,044.00</b>

	2022/23 (TZS)	2021/22 (TZS)
<b>12 - Social Benefits</b>		
Retirement benefits	-	15,213,780.00
Retirement home	32,317,705.00	-
	<b>32,317,705.00</b>	<b>15,213,780.00</b>

<b>13 - Other Transfers</b>		
Contribution to CF (15%)	-	3,000,000
	-	<b>3,000,000</b>

	2022/23 (TZS)	2021/22 (TZS)
<b>14 - Cash and Cash Equivalents</b>		
BoT Own source Collection Account	2,519,601.00	21,509,199.00
:		
Bank Account TSS Fee	146,322.64	1,515,743
Bank Account TPS Capitation	23,143.11	563,018
Bank Account KSS Subv.	40,748,246.30	2,592,892
Bank Account KGSS	13,210,798.66	7,916,084
Bank Account Nursery School	5,636.00	181,136
General Fund Account	2,137,884	9,691,242
Folk Development Subvention	480,025.55	131,354,178
Bank Account KCOTC Grants	1,318,560	1,318,560
Deposit General Cash Account	150,000.00	150,000.00
Development Expenditure Cash Account	-	1,162,269.00
Own source Collection Account - CRDB	2,840,000.00	-
Own source Collection Account - NBC	1,825,000.00	-
Own source Collection Account - NMB	1,150,500.00	2,615,000.00
Own source Collection Account CRDB - USD	11,731,502.00	-
Own source Development Expenditure	1,822,800.00	-
Own source Recurrent Expenditure GF	1,930,034.00	12,249,271.00
Recurrent Expenditure Cash Account	26,844,356.00	70,722,155.00
Unapplied Cash Account	3,469,103.00	2,347,576.00
USD BOT Collection Account	96,540.00	6,132,434.00
	<b>112,450,052.00</b>	<b>272,020,757.00</b>

	2022/23 (TZS)	2021/22 (TZS)
<b>15 - Receivables</b>		
Imprest Receivable	24,958,394.00	-
Other receivables	535,671,922.00	535,626,922.00
Staff advances and imprest	54,469,656.00	54,469,656.00
Trade Receivables	49,374,461.00	-
	<b>664,474,433.00</b>	<b>590,096,578.00</b>

	2022/23 (TZS)	2021/22 (TZS)
<b>16 - Prepayments</b>		
Prepayment - Expenses	110,186,383	8,267,349
Prepayments - Consumables	38,833,477	38,833,477
	<b>149,019,860</b>	<b>47,100,826</b>

	2022/23 (TZS)	2021/22 (TZS)
<b>17 - Inventories</b>		
Building Materials - Inventory	4,165,500.00	-
Consumables	-	6,185,000.00
Fuel	9,483,230.00	-

Office consumable (Stationaries, etc.)	209,061,103.00	247,583,687.00
Spare parts and tyres	-	845,000.00
<b>Total</b>	<b>222,709,833.00</b>	<b>254,613,687.00</b>

	<b>2022/23</b>	<b>2021/22</b>
	<b>(TZS)</b>	<b>(TZS)</b>
	<b>2022/23</b>	<b>2021/22</b>
	<b>(TZS)</b>	<b>(TZS)</b>
<b>18 - Other Financial Assets</b>		
48,500 Shares in Tanganyika Farmers Association	<u>48,500,000</u>	<u>48,500,000</u>
	<b>48,500,000</b>	<b>48,500,000</b>
	<b>2022/23</b>	<b>2021/22</b>
	<b>(TZS)</b>	<b>(TZS)</b>
<b>19 - Deposits</b>		
Deposit General	75,000.00	75,000.00
Unapplied Deposit Account	<u>3,376,376.00</u>	<u>2,347,576.00</u>
	<b>3,451,376.00</b>	<b>2,422,576.00</b>

## 20 - Property, Plant and Equipment

PARTICULARS	LAND	DEVELOPMENT	LAND	BUILDINGS	PLANT & MACHINERY	MOTOR VEHICLE	FURNITURE AND EQUIP.	COMPUTERS	OFFICE EQUIP.	HOSPITAL EQUIP.	LAB. EQUIP	TOTAL
Cost as at 01.07.2022	111,701,018,300	2,950,045,208	30,630,802,111	755,481,366	708,260,000	265,935,571	754,077,833	424,595,020	99,557,440	-	328,487,500	147,862,778,983
Additions:-												
Bought PPE				469,118,775		195,847,900		21,573,530				972,902,796
Capitalized WIP												469,118,775
Non Cash Additions		20,000,000			2,381,400	243,679,614	21,792,768	71,298,776	48,616,600			407,769,158
Cost as at 30.06.2023	111,701,018,300	2,970,045,208	31,855,402,252	755,481,366	710,641,400	705,463,085	775,870,601	517,467,326	148,174,040	-	328,487,500	149,712,569,712
Acc. Depr. as at 01.07.2022	-	2,717,945,454	6,418,341,554		692,139,731	201,847,155	648,756,055	275,518,825	84,494,903	-	321,166,921	11,360,210,568
Depreciation Charge for the year	-	142,355,594	540,819,473		3,430,877	37,590,822	13,597,982	45,640,650	4,375,037		2,440,193	790,250,627
Acc. Depr. as at 30.06.2023	-	2,860,301,048	6,959,161,026		695,570,608	239,437,976	662,354,037	321,159,475	88,869,940	-	323,607,114	12,150,461,224
Net Book Value as at 30.06.2023	111,701,018,300	109,744,160	24,896,241,225		15,070,792	466,025,109	113,516,564	196,307,852	59,304,100		4,880,386	137,562,108,488
Cost/ Valuation												
Cost as at 01.07.2021	111,701,018,300	2,950,045,208	37,107,943,656		3,240,670,047	527,535,571	994,399,775	508,351,296	154,883,131	923,552,656	328,487,500	158,436,887,139
Additions	-						17,284,745	8,396,000				25,680,000
Adjustments			(6,477,141,545)		(2,532,410,047)	(261,600,000)	(257,606,687)	(92,107,276)	(55,325,691)	(923,552,656)	-	(10,599,743,901)
Cost as at 30.06.2022	111,701,018,300	2,950,045,208	30,630,802,111		708,260,000	265,935,571	754,077,833	424,595,020	99,557,540	-	328,487,500	147,862,778,983
Acc. deprec. as at 01.07.2021	-	2,576,925,194	7,181,818,479		1,935,530,219	456,307,589	847,638,749	306,223,993	127,651,652	556,722,569	318,726,729	14,307,543,172
Adjustments on Depreciation	-		(1,287,968,396)		(1,246,614,542)	(261,600,000)	(211,739,566)	(67,878,280)	(49,971,978)	(556,722,569)		(3,682,495,330)
Charge for the year	-	141,022,260	524,491,471		3,224,054	7,139,566	12,856,872	37,173,112	4,375,037	-	2,440,193	732,722,565
Acc. depr. as at 30.06.22	-	2,717,945,454	6,418,341,554		692,139,731	201,847,155	648,756,055	275,518,826	82,054,711	-	321,166,921	11,357,770,406

	2022/23 (TZS)	2021/22 (TZS)
<b>21 - Biological Assets</b>		
Opening Balance	85,097,500.00	77,350,000.00
Regeneration Increase	2,902,500.00	7,747,500.00
	<b>88,000,000</b>	<b>85,097,500</b>
<b>22 - Work in Progress</b>		
Descriptions	2022/23 (TZS)	2021/22 (TZS)
Buildings other than dwellings - WIP	370,779,581	839,898,357
	<b>370,779,581</b>	<b>839,898,357</b>
<b>23. Payables and Accruals</b>		
	2022/2023 TZS)	2021/2022 (TZS)
Customer Deposit	116,613,371.00	109,711,529.00
Other Payables	410,940,133.00	438,246,484.00
Staff Claim		4,308,000.00
Staff Debt		
Supplier Debt		
Supplies of Goods and Services		)
Transfer of Goods and Services		
Withholding Tax		26,927,202.00
Total	<u>527,553,504.00</u>	<u>579,193,215.0</u>
		<u>0</u>

## 24. COMPARATIVE FIGURES

Previous year's figures have been regrouped whenever necessary to make them comparable with the current year figures.

## 25. ULTIMATE HOLDING ENTITY

The Kibaha Education Centre is a Parastatal organisation whose operations are governed by the Kibaha Education Centre establishment order GN No.2 of 1970 as amended established by the Parliament. The Centre is controlled by the Government of the United Republic of Tanzania, through the President's Office Regional Administration and Local Government (PO-RALG).

## 26. EVENTS AFTER REPORTING DATE

KEC had the following Event after Reporting Date: CMA passed a judgement on 13 September 2023 on Case No. CMA/PWN/KBH/651/15 with a claim of TZS 272,493,600 in favour of KEC thus, KEC has no liability on this case.

## 27. RELATED PARTY TRANSACTIONS

During the year under review, KEC incurred expenditure in respect of related party transactions as detailed below:

	2022/23	2021/22
	TZS	TZS
Director fees and board expenses	46,017,080	105,357,000
Key management employees		
Salaries	548,220,000	514,224,000
Allowances	108,625,000	111,514,000
TOTAL	<u>702,862,080</u>	<u>731,095,000</u>

## 28. CONTINGENT LIABILITIES

### a) Court Case:

As at 30 June 2023 Kibaha Education Centre had a pending Court Case Number CMA/PWN/KBH/45/2018 - Abidon and Godfrey Muhadu and Others with a claim of TZS 46,543,917.

### b) Staff arrears:

As 30 June, 2023 KEC had salary arrears amounting to TZS 188,446,708 which have been verified internally at KEC level and uploaded into the Human Capital Management Information System (HCMIS) also known as LAWSON; pending further approval by the Ministry of President's Office - Public Service Management (PO-PSM) and expected to be directly paid by the Treasury.

## 29. INTERGOVERNMENT TRANSACTIONS FOR THE YEAR ENDED 30TH JUNE 2023

S/N	NATURE OF TRANSACTION	AMOUNT IN TZS	ENTITY PAID
1	Diesel	23,122,076	GPSA
2	Water Charge	33,444,906	DAWASA - PWANI
3	Electricity Charges	17,699,960	TANESCO
	TOTAL	74,266,942	



## CASH FLOW EXPLANATORY NOTES

	2022/23 TZS	2021/22 TZS
<b>30 - Revenue Grants</b>		
Government Grant Personal Emolument	5,806,743,525	-
Government Grant Development Foreign	51,451,370	-
Government Grant Development Local	721,191,030	-
Revenue Grants - non-monetary	355,589,986	-
<b>Revenue</b>	<b>6,934,975,911</b>	
<b>Add/Less (Change in Working Capital)</b>		
Revenue Grants - non-monetary	(355,589,986)	-
	<b>(355,589,986)</b>	-
<b>Receipt</b>	<b>6,579,385,925</b>	-
	2022/23 TZS	2021/22 TZS
<b>31 - Revenue from Exchange Transactions</b>		
Agriculture and Farm produce	13,035,500	22,949,000
Revenue from Conference Facilities	40,240,000	55,857,000
Sewage Disposal	-	12,405,800
<b>Revenue</b>	<b>53,275,500</b>	<b>91,211,800</b>
<b>Revenue</b>	<b>53,275,500</b>	<b>91,211,800</b>
<b>32 - Deposit</b>		
Deposit General Payable Addition	-	(75,000)
Unapplied Deposit Account Addition	(1,028,800)	(2,347,576)
<b>Revenue</b>	<b>(1,028,800)</b>	<b>(2,422,576)</b>
<b>Revenue</b>	<b>(1,028,800)</b>	<b>(2,422,576)</b>
<b>33 - Subvention from other Government entities</b>	2022/23 TZS	2021/22 TZS
Government Grant Personal Emolument	106,515,975	11,023,472,157
Non-Monetary Revenue - Capital	49,738,980	-
Non-Monetary Revenue - Current (Biological Asset)	2,902,500	7,747,500
Subvention Capital	-	80,000,000
Subvention Other Charges	1,067,270,715	2,936,692,463

	Revenue	1,226,428,170	14,047,912,120
Add/Less (Change in Working Capital)			
Deferred Subvention Current	-		(5,400,392)
Non-Monetary Revenue - Capital	(49,738,980)		-
Non-Monetary Revenue - Current	(2,902,500)		(7,747,500)
	(52,641,480)		(13,147,892)
Receipt	1,173,786,690		14,034,764,228

#### 34 - Wages, Salaries and Employee Benefits

Casual Labour Expenses	-	2,110,000
Casual Labourers	15,613,000	7,841,226
Civil Servants	5,913,259,500	11,032,451,242
Court Attire Allowance	-	500,000
Electricity	7,220,000	12,130,704
Electricity Allowance	39,958,000	400,000
Extra-Duty	147,578,745	112,095,685
Field (Practical Allowance)	30,658,253	7,195,000
Food and Refreshment	51,397,679	28,308,357
Furniture Expenses	38,480,000	-
Heavy Teaching Load Allowance	7,500,000	-
Honoraria	-	46,641,795
Housing Allowance discretionary Expenses	53,725,000	90,330,000
Invigilators Allowances	18,410,000	12,690,000
Leave Travel	70,918,040	48,152,684
Moving Expenses	-	3,669,043
Non-Civil Servant Contracts	-	17,679,500
Responsibility Allowance	29,405,833	14,480,000
Sitting Allowance	128,394,342	81,176,554
Special Allowance	14,340,446	-
Subsistence Allowance	20,913,238	34,824,869
Teachers	41,000,000	60,000,000
Telephone	20,474,000	25,596,783
Water and Waste Disposal	576,410	229,063
Expenses	6,649,822,486	11,638,502,505

**Add/Less (Change in Working Capital)**

Staff Claim Addition	(8,741,532)	279,248,300
	(8,741,532)	279,248,300
<b>Payment</b>	<b>6,641,080,954</b>	<b>11,917,750,805</b>

**35 - Use of Goods and Service**

Advertising and publication	650,000	-
Advertising and Publication - Communication & Information	4,300,000	832,608
Agricultural Implements	12,000,000	-
Animal Feeds	11,794,590	5,939,280
Books, Reference and Periodicals	-	88,000
Bottled Gas	10,074,000	28,867,852
Capitation Costs	97,689,690	-
Charcoal	-	4,970,000
Classroom Teaching Supplies	8,855,000	14,566,700
Cleaning Supplies - Use of goods and Services	2,964,000	-
Clothing and Attachment	700,000	-
Coal Expenses	-	60,000
Computer Supplies and Accessories	20,584,445	364,883
Conference Facilities	2,800,000	400,000
Contract based training services	-	1,104,000
Diesel	21,623,137	26,375,534
e Training Materials	92,861,377	-
Electricity - Utilities Supplies and Services	10,479,960	58,645,344
Entertainment - Hospitality Supplies And Services	200,000	11,661,000
Examination Expenses	3,847,000	301,404,087
Exhibition, Festivals and Celebrations	8,500,000	2,298,000
Food and Refreshments	-	2,300,000
Gifts and Prizes	6,433,200	8,550,000
Ground Transport (Bus, Train, Water)	937,759	510,257
Ground travel (bus, railway taxi, etc)Travel - In - Country	15,436,392	6,140,515
Internet and Email connections	29,733,050	5,712,292
Laboratory Supplies	-	18,642,800
Laundry and Cleaning Expenses	-	4,957,000
Office Consumables (papers, pencils, pens and stationaries)	31,864,538	109,170,882
	310,218,650	236,775,916
Per Diem - Domestic		

Petrol	7,185,280	11,678,775
Printing and Photocopying Costs	17,263,325	8,052,780
Production and Printing of Training Materials	8,100,000	700,000
Remuneration of Instructors	560,000	3,117,100
Schools Laboratory Supplies	7,932,240	-
Seeds	2,160,000	-
Sewage Charges - Utilities Supplies and Services	-	384,635
Small engineering tools and equipment	2,570,000	-
Sporting Supplies	-	8,950,000
Student meals	527,075,131	310,680,409
Technical Materials	1,710,000	-
Technical Service Fees	1,274,400	121,540
Training Allowances	10,780,000	25,659,000
Tuition Fees Training - Domestic	15,975,000	6,455,318
Uniforms and Ceremonial Dresses	-	840,000
Uniforms -Clothing, Bedding, Footwear and Services	-	1,090,000
Water Charges	33,444,906	48,504,413
<b>Expenses</b>	<b>1,340,577,070</b>	<b>1,276,570,921</b>

**Add/Less (Change in Working Capital)**

Building Addition	4,165,500	-
Consumables	(6,185,000)	(13,508,000)
Foodstuffs	(38,522,584)	(21,088,397)
Fuel	7,946,870	-
Imprest Receivable - Staff	25,003,394	(90,000)
Prepayment Consumables	145,928,013	8,267,349
Prepayments Expense Opening	-	(650,441,637)
Spare parts and tyres	(845,000)	845,000
Supplies of goods and services Addition	39,182,214	1,230,904,583
Withholding Tax Payable Addition	28,100,871	(26,927,202)
	<b>204,774,278</b>	<b>527,961,696</b>

Payment

1,545,351,348

1,804,532,617

**36 - Other Expenses**

Audit fees Expenses	30,845,000	37,638,331
Burial Expenses	450,000	5,800,100
consultancy fees	4,250,000	10,058,009
Director's Fee	14,987,042	40,750,000
Legal fees Expenses	1,170,000	1,890,000
Registration Fees Expenses	4,953,720	-
Terminal Charges	-	1,621,604
Expenses	56,655,762	97,758,044
Add/Less (Change in Working Capital)		
Other Payable	-	980,377,652
	-	980,377,652
Payment	56,655,762	1,078,135,696

**37 - Maintenance Expenses**

Cement, Bricks and Building Materials	26,030,204.00	67,302,946.00
Cement, bricks, and construction materials	2,998,078.00	5,918,006.00
Computers, printers, scanners, and other computer	2,748,854.00	3,808,100.00
Fax machines and other small office equipment	1,785,000.00	-
Fire Protection Equipment	880,000.00	-
Mechanical, electrical, and electronic spare parts	-	2,115,000.00

Motor Vehicles and Watercraft	7,899,978.00	12,209,000.00
Outsource maintenance contract services - Roads and Bridges	-	110,619,850.00
Repair and Maintenance of Furniture	-	21,995,000.00
Repair and Maintenance of Sewerage System	263,000.00	3,304,940.00
Roofing Materials	14,938,589.00	
Small tools and implements - Buildings	-	19,516,333.00
Small tools and implements - Water and Electricity Installation	1,896,901.00	2,499,016.00
Spare Parts - Vehicles and Transportation Equipment	4,245,000.00	3,559,250.00
Wood and Timber Supplies	-	2,571,800.00
Expenses	63,685,604.00	255,419,241.00

#### 38- Payment for Work in Progress

	-	-
Buildings other than dwellings - WIP Monetary	-	(699,898,357)
Other Structure - WIP Monetary	(755,381,366)	-
Payment	(755,381,366)	(699,898,357)

#### 39 - Acquisition of Property, Plant and Equipment

Hardware: servers and equipment (incl. desktops, laptops etc.)	(21,573,530)	(8,396,000)
Motor vehicles, Monetary	(195,847,900)	-
Office Furniture and Fittings Monetary	-	(10,314,745)
Office Furniture Monetary	-	(6,970,000)

#### 40 - Acquisition of Biological Assets

Dairy cattle Monetary	-	(7,747,500)
Payment	-	(7,747,500)