

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



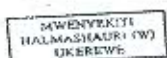
UKEREWE DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2016

	Notes	2016 TZS	2015 TZS
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	24	712,899,565	430,552,569
Receivables and prepayments	25	2,156,434,281	2,416,757,564
Inventories	26	18,127,057	189,623,050
Other financial assets	27	-	-
		<u>2,887,460,903</u>	<u>3,246,933,183</u>
<b>Non-current assets</b>			
Other financial assets	27	53,906,400	26,953,200
Investment in associate	28	-	-
Property, plant and equipment	29	30,746,590,725	28,534,656,994
Intangible assets	30	60,151,000	-
Biological assets	31	-	-
Investment property	32	418,290,240	458,230,240
		<u>31,235,817,365</u>	<u>29,979,840,434</u>
Non-current assets held for sale	34	-	-
<b>TOTAL ASSETS</b>		<b>34,800,358,268</b>	<b>33,226,773,617</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	35	2,866,715,408	1,673,505,457
Short-term borrowings	36	-	-
Long-term borrowings	37	-	-
Employee benefits	38	398,805,269	385,130,212
Provisions	39	-	-
Deferred income (Grant)	41	129,636,294	211,849,727
		<u>3,395,156,971</u>	<u>2,270,485,396</u>
<b>Non-current liabilities</b>			
Long-term borrowings	37	24,914,510	24,914,510
Employee benefits	38	-	-
Provisions	39	-	-
Deferred income (Grant)	41	28,673,690,480	27,670,044,295
		<u>28,556,605,990</u>	<u>27,665,968,805</u>
<b>TOTAL LIABILITIES</b>		<b>31,811,864,960</b>	<b>29,936,454,201</b>
<b>NET ASSETS</b>		<b>3,017,073,308</b>	<b>3,290,319,416</b>
<b>NET ASSETS</b>			
Cash/Transfers Fund			
Accumulated surplus/(deficit)		1,107,943,834	1,378,615,231
Revaluation surplus		1,909,127,505	1,909,127,505
Other reserves		-	-
<b>TOTAL NET ASSETS</b>		<b>3,017,073,308</b>	<b>3,290,319,416</b>

The financial statements were authorized for issue by the Council on 27/09/2016 and were signed on its behalf by:

Name: FRANK BAHATI Title: CEO Signature: [Signature]  
Name: GEORGE H. NYAMUNDA Title: Chairman Signature: [Signature]



CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE, 2016

	Notes	2016 TZS	2015 TZS
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Taxes and levies		-	-
Fees, fines, penalties and licenses		42,817,874	37,746,466
Rendering of services		160,920,650	167,623,562
Sales of goods		-	-
Interest received		-	-
Concessions/permissions/licenses from (To) Central Government		-	-
Payments received		28,576,437,296	32,940,349,298
Dividends/Deposits received		-	-
Other income		1,290,955,810	-
Grants		136,640,198	46,026,261
Employee cash		-	-
Supplies and consumables used		(25,201,618,911)	(26,867,351,207)
Maintenance expenses		(1,065,200,245)	(2,071,854,726)
Grants and other transfer payments		(4,768,645)	(26,096,443)
Miscellaneous Deposits Payments		(2,854,416,344)	(286,918,564)
Other expenses		(1,200,475,438)	-
<b>Net cash from operating activities</b>		<b>(25,111)</b>	<b>(163,878,453)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment & investment properties		-	-
Acquisition of intangibles		(1,524,258,087)	(2,433,850,506)
Receipts from sales of property, plant and equipment & investment properties		(80,100,000)	-
Receipts from sales of intangible assets		-	-
Receipts from sales of other long-term assets		-	-
Payments to acquire equity/investments of other entities		-	-
Payments to acquire interests in joint ventures		-	-
Receipts from sales of equity/investments of other entities		-	-
Advances and loans made to other parties		-	-
Receipts from the repayment of advances/loans made to other parties		-	-
Acquisition of investments		-	-
<b>Net cash from investing activities</b>		<b>(1,544,416,087)</b>	<b>(2,433,850,506)</b>
<b>Cash flows from financing activities</b>			
<b>Cash proceeds from loans</b>			
Cash proceeds from other short or long-term borrowing		-	-
Cash repayments of amounts borrowed		-	-
Cash payments by a lessee for the reduction of the outstanding liability relating to a finance lease		-	-
Cash proceeds from issuing other financial assets		-	-
Cash payments for other financial liabilities		-	-
Development grants received		2,048,700,200	2,186,943,793
Loans refinanced/structured		-	-
<b>Net cash used in financing activities</b>		<b>2,048,700,200</b>	<b>2,186,943,793</b>
<b>Net increase in cash and cash equivalents</b>		<b>78,322,999</b>	<b>(180,781,267)</b>
<b>Foreign exchange differences</b>			
Net and cash equivalents at beginning of period		633,964,913	1,411,349,834
Net and cash equivalents at end of period	24	<u>712,287,912</u>	<u>630,568,567</u>

**Qualified Opinion**  
In my opinion, except for the effect of the matters described in the basis for qualified opinion paragraph above, the financial statements present fairly, in all material respects, the financial position of Ukerewe District Council as at 30 June 2016, its financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) and Part IV of the Local Government Finance Act No.9 of 1982 (revised 2000).

Report on Other Legal and Regulatory Requirements

**Compliance with the Public Procurement Act, 2011**  
In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, except for the matter described below Ukerewe District Council procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011 and its underlying Regulations of 2013.

**Unfair evaluation of tenders for construction of classrooms and 16 student toilets at Busungumugu Secondary School TZS.273,641,000**  
During the year under review, the Council issued tender documents for the Contract No. LGA/092/2014-2015/W/SEDP/03 to two contractors. The documents in accordance with Reg. 203 (2) of Public Procurement Regulation, 2013 were required to have similar information in order to facilitate comparison among tenderers. I noted during my audit perusal of tender documents that tender documents issued to M/S TG. Line Ltd included some expenditure items that were not included in M/S Gunats Ltd tender documents. As a result of the above inconsistencies, the bid amount submitted by M/S TG. Line Ltd amounted to TZS. 273,841,000 whereas that of M/S Gunats Ltd was amounted to TZS. 154,753,200. Consequently, M/S Gunats Ltd was selected as the lowest evaluated bidder due to inconsistencies among the to the two bidders.

[Signature]  
Prof. Mubandira  
CONTROLLER AND AUDITOR GENERAL  
March, 2017

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2016

	Notes	2016 TZS '000	2015 TZS '000
<b>Revenue</b>			
Taxes and levies	9	55,515,673	46,686,262
Fees, fines, penalties and licenses	10	988,818,080	874,364,421
Amortisation of revenue grants	11	30,758,230,172	22,867,623,256
Revenue from exchange transactions	12	27,861,000	24,629,866
Finance income	13	-	-
Amortisation of capital grant	41	1,503,033,101	1,441,103,218
Other revenue	34	130,772,386	21,506,603
Gain/(loss) on foreign currency translation	15	-	-
Gain/(loss) on disposal of assets	16	-	-
Financial gains on investment property	30	-	-
		<u>32,974,232,024</u>	<u>25,255,715,439</u>
<b>Expenses</b>			
Wages, salaries and employee benefits	18	25,821,615,011	20,174,474,574
Supplies and consumables used	19	2,168,965,045	2,217,294,643
Maintenance expenses	20	753,756,127	835,696,343
Grants and other transfer payments	21	2,894,416,244	586,818,564
Finance costs	22	-	226,117
Impairment of receivables		-	-
Provision for obsolete inventories		-	-
Impairment of other financial assets		-	-
Depreciation of property, plant and equipment	29	1,506,345,834	1,441,103,218
Impairment of property plant and equipment	29	-	-
Depreciation of investment property - carried at cost	30	-	-
Amortisation of intangible assets	31	-	-
Impairment of intangible assets	31	-	-
		<u>33,244,701,361</u>	<u>25,255,713,458</u>
Share of associates surplus/(deficit)		-	-
<b>Surplus/(deficit) during the year</b>		<b>(270,469,337)</b>	<b>(90)</b>
<b>Attributable to:</b>			
Ownes		-	-
Non-controlling interests		-	-