



# THE UNITED REPUBLIC OF TANZANIA PRESIDENT'S OFFICE-REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT MUSOMA DISTRICT COUNCIL



## 6.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

Note	2023/24 TZS	2022/23 TZS
<b>ASSETS</b>		
<b>Current Asset</b>		
Cash and Cash Equivalents	62 4,761,906,062	3,638,466,098
Receivables	67 717,553,829	1,057,039,134
Loan Receivables	68 308,501	308,500
Prepayments	69 707,757,115	0
Inventories	70 966,663,401	1,543,449,673
<b>Total Current Asset</b>	<b>7,154,188,908</b>	<b>6,239,263,405</b>
<b>Non-Current Asset</b>		
Other Financial Assets	71 51,754,000	51,754,000
Property, Plant and Equipment	77 22,817,054,006	21,101,141,469
Work In Progress	82 14,067,123,476	11,697,735,612
<b>Total Non-Current Asset</b>	<b>36,935,931,482</b>	<b>32,850,631,081</b>
<b>TOTAL ASSETS</b>	<b>44,090,120,390</b>	<b>39,089,894,486</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables and Accruals	89 3,003,780,338	1,591,452,286
Deferred Income	93 3,595,477,632	2,663,141,101
Deposits	94 596,107,155	1,541,423,146
<b>Total Current Liabilities</b>	<b>7,195,365,125</b>	<b>5,796,016,533</b>
<b>TOTAL LIABILITIES</b>	<b>7,195,365,125</b>	<b>5,796,016,533</b>
<b>Net Assets</b>	<b>36,894,755,264</b>	<b>33,293,877,953</b>
<b>NET ASSETS/EQUITY</b>		
Capital Contributed by:		
Other Reserves	51,754,000	51,754,000
Accumulated Surpluses / Deficits	36,843,001,264	33,242,123,953
<b>TOTAL NET ASSETS/EQUITY</b>	<b>36,894,755,264</b>	<b>33,293,877,953</b>

Charles Nyambita  
Council Chairperson  
Date: 14.03.2025

Msongela N. Palela  
District Executive Director  
Date: 14.03.2025

## 6.3 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2023/24 TZS	2022/23 TZS
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts		
Subvention from other Government entities	33,768,253,941	28,696,345,237
Social Contributions (Revenue)	289,042,061	141,915,086
Revenue from Exchange Transactions	115,786,794	156,142,892
Other Revenue	64,402,286	17,505,750
Levies	765,415,833	469,041,991
Increase in Deposit	0	1,017,537,137
Fees, Fines, Penalties and Forfeits	1,040,354,700	1,018,013,616
<b>Total Receipts</b>	<b>36,043,255,615</b>	<b>31,516,501,709</b>
Payments		
Wages, Salaries and Employee Benefits	21,688,817,665	18,292,619,912
Use of Goods and Service	3,599,283,513	3,412,623,105
Social Benefits	1,155,363,493	1,489,411,311
Other Transfers	162,660,217	164,049,121
Other Expenses	39,477,115	14,435,588
Maintenance Expenses	516,080,483	202,710,865
Decrease in Deposit	945,315,990	0
<b>Total Payments</b>	<b>28,106,998,476</b>	<b>23,575,849,902</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>7,936,257,139</b>	<b>7,940,651,807</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investing Activities		
Payment for Work In Progress	-2,369,387,863	-5,100,126,655
Advance Payment for Acquisition of Property	-707,757,115	0
Plant and Equipment	-2,222,038,048	-1,596,943,070
Acquisition of Property, Plant and Equipment	-5,299,183,026	-6,697,069,725
<b>Total Investing Activities</b>	<b>-2,637,074,113</b>	<b>-6,697,069,725</b>
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-2,637,074,113</b>	<b>-6,697,069,725</b>
<b>Net Increase</b>	<b>1,453,191,363</b>	<b>1,243,582,082</b>
Cash Surrendered to PMG	3,669,997,146	2,426,415,064
Cash and cash equivalent at beginning of period	4,853,879,896	3,669,997,146
Cash and cash equivalent at end of period		

Charles Nyambita  
Council Chairperson  
Date: 14.03.2025

Msongela N. Palela  
District Executive Director  
Date: 14.03.2025

Controller and Auditor General

AR/LG/3034/2023/24

## 6.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

Classification of Expenses by Nature	Note	2023/24 TZS	2022/23 TZS
<b>REVENUE</b>			
Revenue from Exchange Transactions	17 115,786,794	508,357,092	
Levies	18 765,415,833	469,041,991	
Fees, Fines, Penalties and Forfeits	19 1,040,354,700	1,018,013,616	
Social Contributions (Revenue)	20 289,042,061	141,915,086	
Other Revenue	31 64,402,286	17,505,750	
Subvention from other Government entities	32 31,857,032,283	28,696,345,237	
<b>TOTAL REVENUE</b>		<b>34,132,033,997</b>	<b>31,094,119,394</b>
<b>EXPENSES AND TRANSFERS</b>			
Wages, Salaries and Employee Benefits	34 22,557,016,891	18,081,945,212	
Use of Goods and Service	35 5,337,940,769	3,259,081,019	
Maintenance Expenses	36 516,080,483	202,710,865	
Other Expenses	52 95,126,197	43,004,400	
Expected Credit Loss	53 60,442,784	31,531,047	
Social Benefits	56 1,155,363,493	1,489,411,311	
Depreciation of Property, Plant and Equipment	77 605,123,511	662,624,599	
<b>Total Expenses</b>		<b>30,327,096,128</b>	<b>23,770,308,413</b>
Transfer			
Other Transfers	60 204,060,518	165,495,472	
<b>Total Transfer</b>		<b>204,060,518</b>	<b>165,495,472</b>
<b>TOTAL EXPENSES AND TRANSFERS</b>		<b>30,531,156,646</b>	<b>23,935,803,885</b>
<b>Surplus / (Deficit) for the period</b>		<b>3,600,877,311</b>	<b>7,158,315,509</b>

Charles Nyambita  
Council Chairperson  
Date: 14.03.2025

Msongela N. Palela  
District Executive Director  
Date: 14.03.2025

## 6.3 STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2024

	Accumulated Surplus/(Deficit) TZS	Other Reserve TZS	Total TZS
Opening Balance as at 01 Jul 2023	33,242,123,953	51,754,000	33,293,877,953
Surplus / (Deficit) for the Year	3,600,877,311	0	3,600,877,311
Closing Balance as at 30 Jun 2024	<b>36,843,001,264</b>	<b>51,754,000</b>	<b>36,894,755,264</b>
Opening Balance as at 01 Jul 2022	26,083,808,444	51,754,000	26,135,562,444
Surplus / (Deficit) for the Year	7,158,315,509	0	7,158,315,509
Closing Balance as at 30 Jun 2023	<b>33,242,123,953</b>	<b>51,754,000</b>	<b>33,293,877,953</b>

Charles Nyambita  
Council Chairperson  
Date: 14.03.2025

Msongela N. Palela  
District Executive Director  
Date: 14.03.2025

## 1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

**Unqualified Opinion**  
I have audited the financial statements of Musoma District Council, which comprise the statement of financial position as at 30 June 2024, the statement of financial performance, 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 the Musoma District Council as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Local Government Finance Act, Cap. 290.

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

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

**Key Audit Matters**  
Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

requirements of the Budget Act and other laws.

**1. Diversion of development project funds to unbudgeted expenditures TZS 36,989,000**  
Section 27 (4) of the Budget Act, Cap. 439 requires approved appropriations to be used strictly in accordance with the purpose described and within the limits set by different classifications within the Government and public entity estimates. Also, Order 23 (1) of LGFM, 2009 requires every charge of expenditure and items of income to be classified strictly in accordance with the details of the approved budget and the voted funds to be applied only to the purpose for which they were intended.

However, the Council diverted TZS 36,989,000 from LGA Deposit Account earmarked for the construction of the Council administration block, to finance the procurement of computers, scanners, printers and UPS without obtaining approvals from the relevant authorities.

**2. Expenditures charged to incorrect budget codes TZS 422,524,487**  
Section 27 (4) of the Budget Act, Cap. 439 and Order 23 (1) of LGFM, 2009 require approved appropriations to be used strictly in accordance with the purpose described and within limits set by different classifications within the estimates of Government entities and the voted funds to be applied only to the purpose for which they were intended.

However, I found that total payments of TZS 422,524,487 were charged using wrong budget codes without prior approval for reallocation by the appropriate authorities.

Charles E. Kichere  
Controller and Auditor General,  
Dodoma, United Republic of Tanzania,  
March 2025.