

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

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2019

	Notes	2019 TZS	2018 TZS
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	24	1,158,201,417	1,522,186,464
Receivables and prepayments	25	1,351,259,683	869,660,744
Inventories	26	1,331,198,338	1,943,197,746
Other financial assets	27	109,583,750	131,156,200
		<u>3,950,243,188</u>	<u>4,466,201,153</u>
<b>Non-current assets</b>			
Other financial assets	27	32,441,057	32,441,057
Investments in associates	28	-	-
Property, plant and equipment	29	66,419,674,635	60,857,161,213
Intangible assets	30	-	-
Biological assets	31	732,983,020	732,983,020
Investment property	32	-	-
		<u>67,185,098,711</u>	<u>61,622,585,289</u>
Non-current assets held for sale	33	-	-
<b>TOTAL ASSETS</b>		<u><b>71,135,341,899</b></u>	<u><b>66,088,786,443</b></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	34	2,648,681,940	4,784,231,474
Short-term borrowings	35	-	-
Employee benefits	37	1,314,186,621	-
Provisions	38	-	-
Deferred income (Grant)	11	168,357,801.00	1,038,579,693
		<u>4,131,226,362</u>	<u>5,822,811,167</u>
<b>Non-current liabilities</b>			
Long-term borrowings	36	-	-
Employee benefits	37	-	-
Provisions	38	-	-
Deferred income (Capital Grants)	40	793,194,239	721,845,880
		<u>793,194,239</u>	<u>721,845,880</u>
<b>TOTAL LIABILITIES</b>		<u><b>4,924,420,601</b></u>	<u><b>6,544,657,047</b></u>
<b>NET ASSETS</b>		<u><b>66,210,921,298</b></u>	<u><b>59,544,129,396</b></u>
<b>NET ASSETS</b>			
Accumulated surplus/(deficit)		66,154,809,498	59,488,017,596
MCR		56,111,800	56,111,800
<b>TOTAL NET ASSETS</b>		<u><b>66,210,921,298</b></u>	<u><b>59,544,129,396</b></u>

The financial statements were authorised for issue by the Full Council held on 25<sup>th</sup> September, 2019  
and were signed on its behalf by:

Name: Ezekiel Mwakota Title: Council Chairperson

Name: Loema I. Peter Title: District Executive Director

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

**CHAIRMAN**  
**RUNGWE DC**

**DISTRICT EXECUTIVE DIRECTOR**  
**RUNGWE**

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

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	<u>Notes</u>	<u>2019</u> <u>TZS</u>	<u>2018</u> <u>TZS</u>
<b>Revenue</b>			
Local taxes	9	2,171,562,407	1,547,691,057
Fees, fines, penalties and licenses	10	437,231,612	462,156,711
Recurrent grants	11	39,569,384,608	40,294,068,339
Transfer from other Government entities	12	-	-
Revenue from exchange transactions	13	176,672,641	144,583,245
Finance income	14	-	4,505,100
Gain on foreign currency translation	15	-	-
Amortisation of capital grant	40	6,762,956,045	2,234,474,071
Other own source revenue	16	2,234,176,564	1,724,018,186
		<b>51,351,983,878</b>	<b>46,411,496,708</b>
<b>Expenses</b>			
Wages, salaries and employee benefits	17	33,437,170,436	33,482,861,555
Supplies and consumables used	18	6,155,189,895	5,818,148,230
Maintenance expenses	19	551,014,660	442,414,351
Grants and other transfer payments	20	2,039,788,734	3,475,107,616
Finance costs/Fall in share price	21	-	-
Loss on foreign currency translation	22	-	-
Depreciation of property, plant and equipment	29	2,321,193,511	2,687,343,188
Impairment of property plant and equipment	29	-	-
Amortisation of intangible assets	30	-	-
Provision for Obsolescences, Bad debts	25&26	159,262,290	-
		<b>44,663,619,527</b>	<b>45,905,874,941</b>
Share of associates surplus/(deficit)		-	-
<b>Surplus/(deficit) during the year</b>		<b>6,688,364,351</b>	<b>505,621,767.27</b>
Revaluation loss			-
Surplus/deficit during the year after revaluation loss			-

The financial statements were authorised for issue by the Full Council on **25<sup>th</sup> September, 2019**

and were signed on its behalf by:

Name: Ezekiel Mwakota Title: Council Chairperson

Signature: .....

**CHAIRMAN**  
**RUNGWE DC**

Name: Loema I. Peter Title: District Executive Director

Signature: .....

**DISTRICT EXECUTIVE DIRECTOR**  
**RUNGWE**

THE UNITED REPUBLIC OF TANZANIA  
PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
RUNGWE DISTRICT COUNCIL  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 TZS	2018 TZS
<b>Cash flows from operating activities</b>			
<b>RECEIPTS</b>			
Local taxes	9	2,171,562,407	1,434,173,801
Fees, fines, penalties and licenses	49	428,091,612	462,156,711
Governments Grants	50	37,186,922,749	37,984,094,052
Revenue from exchange transactions	13	176,672,641	115,206,245
Other own source revenue	51	1,466,402,564	1,418,653,483
Receipts of Restricted Funds	48	1,139,984,856	909,201,531
Other Receipts			
<b>Total Cash Receipts</b>		<b>42,569,636,829</b>	<b>42,323,485,824</b>
<b>PAYMENTS</b>			
Wages, salaries and employee benefits	52	33,193,124,307	33,482,861,555
Supplies and consumables used	53	5,037,280,121	5,502,623,991
Maintenance expenses	54	531,112,126	442,370,351
Grants and other transfer payments	20	2,039,373,862	3,475,107,616
Finance costs	21	-	-
Payments of Restricted Funds	48	1,317,118,940.60	935,105,227
Other Payments			
<b>Total Cash Payments</b>		<b>42,118,009,357</b>	<b>43,838,068,740</b>
<b>Cash generated from operations</b>		<b>451,627,472</b>	<b>(1,514,582,917)</b>
<b>Net cash from operating activities</b>		<b>451,627,472</b>	<b>(1,514,582,917)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	55	(4,992,196,357)	(2,519,747,961)
Investments with LGLB	27		(11,611,250)
<b>Net cash from investing activities</b>		<b>(4,992,196,357)</b>	<b>(2,531,359,211)</b>
<b>Cash flows from financing activities</b>			
Development Fund Received	47	4,176,583,837	2,505,072,852
Grants refunded/transferred			
<b>Net cash used in financing activities</b>		<b>4,176,583,837</b>	<b>2,505,072,852</b>
<b>Net increase in cash and cash equivalents</b>		<b>(363,985,047)</b>	<b>(1,540,869,276)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>1,522,186,464</b>	<b>3,063,055,740</b>
<b>Cash and cash equivalents at end of period</b>		<b>1,158,201,417</b>	<b>1,522,186,464</b>

The financial statements were authorised for issue by the Full Council on **25<sup>th</sup> September, 2018**  
and were signed on its behalf by:

Name: Ezekiel Mwakota Title: Council Chairperson

Name: Loema I. Peter Title: District Executive Director

Signature: .....

Signature: .....

**CHAIRMAN**  
**RUNGWE DC**  
**DISTRICT EXECUTIVE DIRECTOR**  
**RUNGWE**

## **2.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL**

Hon. Chairperson of the Council,  
Rungwe District Council,  
P.O. Box 148,  
TUKUYU.

### **2.1 Report on the Audit of Financial Statements for the financial year ended 30<sup>th</sup> June, 2019**

#### **Unqualified Opinion**

I have audited the accompanying financial statements of Rungwe District Council which comprise the Statement of Financial Position as at 30<sup>th</sup> June, 2019 and the Statement of Financial Performance, the Statement of Changes in Net Assets, the Cash Flow Statement and the Statement of Comparison of Budget and Actual Amounts for the year then ended, as well as the Notes to the Financial Statements, including a Summary of Significant Accounting Policies as set out in part 3.0 of this audit report.

In my opinion, the accompanying financial statements present fairly in all material respects, the Financial Position of Rungwe District Council as at 30<sup>th</sup> June, 2019, and its Financial Performance and its Cash Flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs) Accrual basis of accounting and in the manner required by the Local Government Finances Act 1982 (revised 2000).

#### **Basis for Opinion**

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

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

#### **Emphasis of Matter**

Without qualifying my opinion, I draw the attention of the users of this report to the following notes to the financial statement:

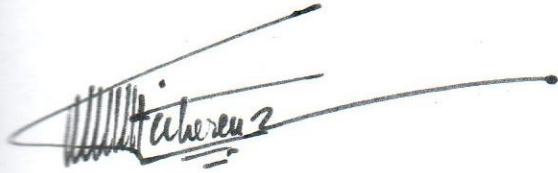
##### **1. Outstanding litigation claims against the council**

Note 45 to the financial statements which indicate that Rungwe District Council has pending legal cases filed by various suppliers of which, preliminary hearings are in

framework agreements by GPSA through placing of call off orders prepared by the Procurement Management Unit and approved by the accounting officer or any delegated officer; and

**2. Goods Received but not Inspected TZS 24,846,300**

Further, the Council procured goods and services worth TZS 24,846,300 and put into use without being inspected contrary to Reg. 244 and 245 of PPR, 2013 which requires the Accounting Officer to establish a goods inspection and acceptance committee responsible for inspecting, testing goods and services received from suppliers to establish if they are of the right quantity, quality and price.



Charles E. Kichere  
**CONTROLLER AND AUDITOR GENERAL**  
31<sup>st</sup> March, 2020



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