



THE UNITED REPUBLIC OF TANZANIA



NATIONAL AUDIT OFFICE

MKWAWA UNIVERSITY COLLEGE OF EDUCATION
HIGHER EDUCATION FOR ECONOMIC TRANSFORMATION (HEET)

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

IDA CREDIT No. 68870

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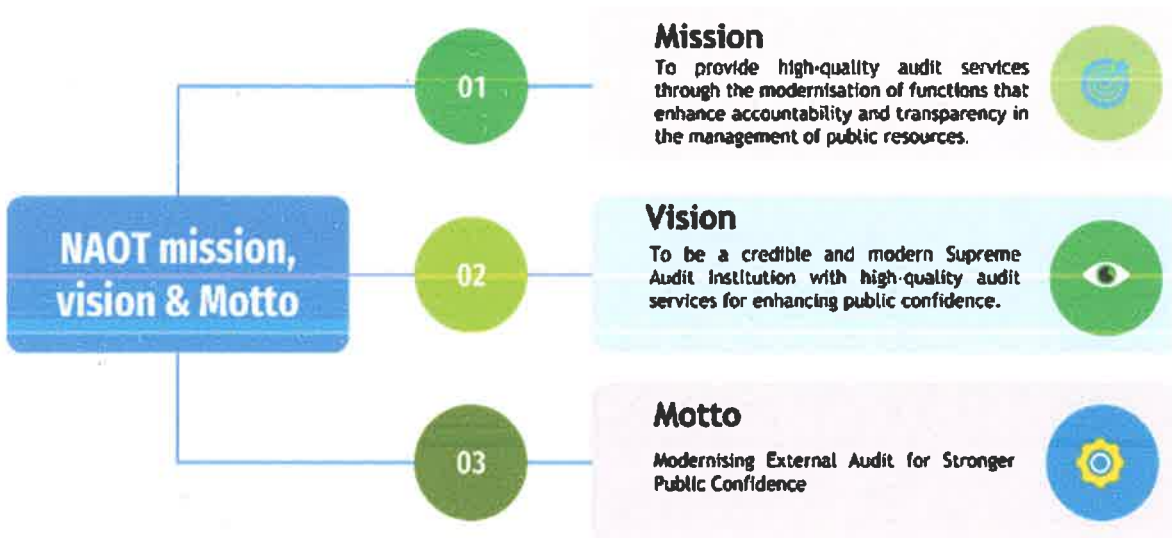
December, 2023

AR/PAD/MUCE/HEET//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.

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Abbreviations

CAG	Controller and Auditor General
CPA	Certified Public Accountant
DARUSO	Dar es Salaam University Students Organisation
HEET	Higher Education for Economic Transformation
ICT	Information and Communication Technology
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standard of Supreme Audit Institutions
MBA	Master of Business Administration
MUCE	Mkwawa University College of Education
MUSE	Mfumo wa Ulipaji Serikalini
NAO	National Audit Office
NBAA	National Board of Accountants and Auditors
PA	Procuring Authority
PAD	Project Appraisal Document
PDO	Project Development Objectives
THTU	Tanzania Higher Learning Institutions Trade Union
TZS	Tanzanian Shillings
UDSM	University of Dar es Salaam
URT	United Republic of Tanzania



1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson,
MUCE Governing Board,
P.O. Box 2513,
Iringa,
Tanzania.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of MUCE-Higher Education for Economic Transformation (HEET), 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 MUCE-Higher Education for Economic Transformation (HEET) 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 MUCE-Higher Education for Economic Transformation (HEET) 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.

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 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, 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 [R.E 2021] 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 [R.E 2022] 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 MUCE-Higher Education for Economic Transformation (HEET) 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 MUCE-Higher Education for Economic Transformation (HEET) is generally in compliance with the requirements of the Public Procurement laws.

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 MUCE-Higher Education for Economic Transformation (HEET) 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 MUCE 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.
December 2023



2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE

2.1 INTRODUCTION

Mkwawa University College of Education as any other public university is a beneficiary of the Higher Education for Economic Transformation (HEET) project. The Grant Agreement between the Ministry of Education, Science and Technology and Mkwawa University College of Education was signed on 19th June 2022 for the period extending from September, 2021 to July 2026.

HEET is a five year project implemented from 2021 and will end in 2026. The project is implemented by the government through the Ministry of Education, Science and Technology with the total funding of USD 425.0 million which is equivalent to Tanzanian shillings 972.0 billion being a concessional loan from the World Bank.

2.2 BACKGROUND OF THE PROJECT

The Government of the United Republic of Tanzania has received a loan from the World Bank (WB) to support the education sector as part of efforts to enable the sector to contribute to economic reforms. The Ministry of Education, Science and Technology (MoEST) is coordinating a project named "Higher Education for Economic Transformation (HEET)". The project will be implemented in a period of five (5) years from 13 September, 2021.

The purpose of the project is to increase enrolment and enhance the quality of training that is compatible with the labor market of priority programs. Along with other components, the project is financing building the capacity of the academic staff to pursue higher degrees, namely Master's Degree and PhD along with short courses.

To achieve this goal, the project is supporting 14 public universities under MoEST; Three agencies under MoEST and five (5) Institutes of higher education under the Ministry of Finance and Planning (MoFP). HEET project also supports postgraduate studies for staff from private Higher Education Institutions (HEIs) that offer programmes in the priority disciplines, particularly Health and Allied Sciences. The expanded support aims to create trained faculty members in private HEIs while embracing sound public-private partnerships in the education sector.

2.3 OBJECTIVES OF THE PROJECT

The Project Development Objective (PDO) is to strengthen the learning environment and labor market alignment of priority programs at beneficiary higher education institutions and improve the management of the higher education system. PDO level Indicators are:

- i. Enhancing learning environments through high quality infrastructure/facilities, digitalization of learning and provision of equipment;
- ii. Promoting labour-market alignment of degree programs through private-sector collaboration, curriculum upgrades, introduction of innovative pedagogical methods, upskilling of teaching staff, improvement in research and innovation capacity, and application of digital technology;

- iii. Improving institutional management through capacity building of institutional leadership, management systems and institutional-level financing;
- iv. Increased MoEST capacity for strategic planning in areas such as gender, private tertiary education, STEM research, innovation, higher education financing, among other areas through technical assistance;
- v. Performance and operational improvements of regulatory agencies and capacity building of staff;
- vi. Public-private partnerships in higher education; and
- vii. Contribution to regional initiatives.

2.4 PROJECT FUNDING

Mkwawa University College of Education (MUCE) is one of the beneficiaries of the project with a total funding of USD 8,000,000.00. MUCE focuses implementing the project in the following strategic areas: construction or rehabilitation of infrastructure, upgrading learning resources and equipment, updating curriculum and introducing innovative pedagogical methodologies, promoting applied research and innovation capacity, building functional linkages with private sector, strengthening use of digital technology, and building capacity of academic staff and university leadership. Table number one (1) provides the details of HEET project fund.

Table No. 1: Details of HEET fund project

S/N	Budget for five (5) years (USD)	Fund released as first instalment (USD)	Balance (USD)
1	8,000,000	1,054,117	6,945,883

The approved project budget for five (5) years of the project is USD 8,000,000.00 and the 1st instalment was disbursed on 29 June 2022 were a total of USD 1,054,117.00 was received. Balance as at 30 June 2023 of the approved project budget for five (5) years of the project was USD 6,945,883.00.

2.5 CORPORATE GOVERNANCE

The Governing Board of MUCE is responsible for the overall oversight of the activities and performance of the Project. The Board consists of 10 non-executive members and the College Principal. The College Legal Officer serves as the Secretary to the Board. The responsibilities of the Governing Board to the project include;

- i. Identifying the project key risk areas;
- ii. Considering and monitoring project operational decisions;
- iii. Considering significant financial matters and reviewing the performance of management operational plans and budgets of the project;
- iv. Ensuring that the project comprehensive system of internal control, policies and procedures are operative; and
- v. Complying with sound corporate governance principles.

The Board meets at least four times per year.

2.6 COMPOSITION OF THE COLLEGE GOVERNING BOARD

The Chairperson of the Governing Board is the Vice Chancellor of the University of Dar es Salaam who, as stipulated in the College Charter and Rules of 2009, serves for a term of four years from the date of appointment. Other members of the Governing Board whose tenure is three years are appointed by the Vice Chancellor of University of Dar es Salaam after consultation with the Principal of MUCE. The Chairperson of the Governing Board may, unless he/she resigns and membership is otherwise terminated, hold office for a maximum of two consecutive terms of four years each. The names of College Governing Board members as at 30 June 2023 are presented in Table No. 2.

Table No. 2: Details of Members of the Governing Board as at 30th June 2023

S/ N	Name	Position	Designation	Nationality	Qualifications	Age	Date of Appointment	End of Tenure	Number of Meetings for the year	
									Held	Attended
1.	Prof. William A. L. Anangisyen	Chairperson	Vice Chancellor-UDSM	Tanzanian	B.A.Ed (UDSM); M.A.Ed (UDSM); PhD (Edinburgh)	61	01/07/2021	30/06/2025	6	6
2.	CPA Mwanaidi A.Mtanda	Vice Chairperson	Former Accountant General, Representative of the Council-UDSM	Tanzanian	Bachelor of commerce (Accounting) UDSM, CPA(T), MBA (ESAMI)	68	01/07/2021	30/06/2024	6	5
3.	Prof. Esther W. Dungumaro	Member	Principal, MUCE	Tanzanian	B.Sc (UDSM); M.A (UDSM); PhD (HNU, Tokyo)	57	01/07/2021	30/06/2025	6	4
4.	Prof. Stephen O.Maluka	Member	Principal, DUCE	Tanzanian	B.A (Dar), M.A (Dar), PHD in public Health (Umea University, Sweden)	45	01/07/2021	30/06/2024	6	5
5.	Prof. Bernadeta M. Killian	Member	Deputy Vice Chancellor (Administration), UDSM	Tanzanian	B.E (UDSM), Masters (International Relations), PhD in Political Science	57	01/07/2022	30/06/2024	6	2

6.	Dr. Jovine K. Emmanuel	Member	Chairperson, UDASA, MUCE	Tanzanian	BSC (UDSM), MSC(UDSM) PhD in Chemistry (South Ampton) UK	45	01/07/2022	30/06/2024	6	4
7.	Mr. Robert P. Mtengule	Member	Representative from Ministry of Finance and Planning	Tanzanian	B.A. Economics (UDSM) & Masters of International Trade M.I.T (UDSM)	45	01/07/2021	30/06/2024	6	4
8.	Eng. Leonard R. Masanja	Member	Regional Administrative Secretary, Iringa	Tanzanian	MSc. in Hydropower Development.	60	29/08/2022	30/06/2024	6	4
9.	Dr. Evaristo A. Mtitu	Member	Representative from Ministry of Education, Science and Technology	Tanzanian	B.A. Ed (UDSM) & M.A. Ed (AUSTRALIA) & PhD Education Curriculum Theory & Practice (Victoria University of Welling, New Zealand)	49	01/07/2021	30/06/2024	6	6
10.	Mr. Samson P. Ivan	Member	President, DARUSO-MUCE	Tanzanian	Student	25	01/07/2022	30/06/2023	6	6
11.	Dr. Eunice S. Ndomondo	Member	Chair person - THTU - MUCE	Tanzanian	B.Ed. Pysc. (UDSM) & Masters of Arts in Applied Social Psychology M.A.ASP (UDSM), PHD in Educ. (UDSM)	49	01/07/2021	30/06/2024	6	6

The Governing Board is the principal policy making body of the College, subject to the provisions of the Act and Regulations made under the College's Charter and Rules of 2009. During the year under review, Secretary of the Governing Board was Advocate Agnes S. Tumbuchile.

2.7 COLLEGE MANAGEMENT

The day-to-day management of the College and HEET project is under the leadership of the principal, who is assisted by two Deputy Principals, for Academic and Administrative matters respectively. The structure of the Management includes Academic Faculties, Administrative Directorate and Departments/units. The College Management team and their tenure is shown in Table 3.

Table 3: The College Management Team as at 30 June 2023

	Name	Position	Tenure
1	Prof. Esther W. Dungumaro	Principal	01/07/2021-30/06/2025
2	Prof. Deusdedit Rwehumbiza	A. Deputy Principal Academic, Research and Consultancy	01/09/2022-31/08/2025
3	Dr. Fikira S. Kimbokota	Acting Deputy Principal Planning, Finance and Administration	01/07/2021-30/06/2024
4	Dr. Ponsiano S. Kanijo	Head, Communication and Marketing Unit	01/04/2022-31/03/2025
5	Dr. Ashura J. Ngoya	Head, Quality Assurance Unit	01/04/2022-31/03/2025
6	Mr. Fadhili A. Chitanda	Head, Procurement Unit	01/04/2022-31/03/2025
7	Adv. Agnes S. Tumbuchile	Head, Legal Service Unit	01/04/2022-31/03/2025
8	Dr. Pendo A. Mwashota	Head, Diversity Unit	01/04/2022-31/03/2025
9	Dr. Gervas A. Kawonga	Head, Internationalization and Convocation Unit	01/04/2022-31/03/2025
10	CPA NeemaH. Kawo	Head, Internal Audit Unit	01/04/2022-31/03/2025
11	Dr Orestes S . Kapinga	Dean, Faculty of Education	01/04/2022-31/03/2025
12	Dr Hellena E. Myeya	Dean, Faculty of Humanities and Social Sciences	01/04/2022-31/03/2025
13	Dr. Talam E. Kibona	Dean, Faculty of Science	01/04/2022-31/03/2025
14	Dr. Godlisten N. Shao	Director, Undergraduate Studies	01/04/2022-31/03/2025
15	Dr. Daniel S. Fussy	Director, Postgraduate Studies	01/04/2022-31/03/2025
16	Dr. Selina T. Mkimbili	Director, Research and Innovation	01/04/2022-31/03/2025
17	Dr. Aloni S. Mbwiga	Director, Library Services	01/04/2022-31/03/2025
18	Dr. ShakilaH. Mteti	Director, Public Services and Outreach Programmes	01/04/2022-31/03/2025
19	Mr. Edwin P. Lyagoda	Director, Administration and Human Resources Management	01/04/2022-31/03/2025
20	Dr. Fransisco P .Mugizi	Manager, Planning and Development Unit	01/04/2022-31/03/2025
21	Mr. Sebastian T. Majimoto	Manager, ICT Unit	01/04/2022-31/03/2025
22	QS. Geoffrey W. Ngelime	Manager, Estate and Works Management Unit	01/04/2022-31/03/2025
23	Dr. Shaban A. Likondangoma	Medical Doctor	01/04/2022-31/03/2025
24	Dr. Adela R. Mtey	Director, Students' Services	01/04/2022-31/03/2025
25	CPA Bosswell A. Kambo	Acting Manager, Finance Unit	01/04/2023-31/03/2025

2.8 PROJECT COORDINATORS

The day-to-day management of the HEET project is under the leadership of the College Principal through the Project Coordinator and the Assistant Project Coordinator. Dr. Fikira S. Kimbokota is the Project Coordinator and Dr. Orestes S. Kapinga is the Deputy Project Coordinator. The coordinators are assisted by project team members in implementing the project operations. The details of team members are as shown in table 4.

Table No. 4: Details of the Project Team Members

Name	Title	Role
Dr. Fikira kimbokota	DP -PFA	Project Coordinator
Dr. Orestes Kapinga	Dean, Faculty of Education	Deputy Project Coordinator
Dr. John Kalolo	Lecturer	Curriculum/Programs review Coordinator/Focal Point Coordinator
Dr. Ashura Jackson	Head, QA Unit	Private Sector Engagement Specialist/Focal Point Coordinator
Mr. Edwin Lyagoda	Director of Administration and Human Resources	Capacity Building for Academic and Administrative Staff/Focal Point Coordinator
QS. Geoffrey Ngelime	Manager, Estates and Works Management Unit	Infrastructure Development Specialist
Dr. Vincent Cosmas	Head, Department of Educ. Psych. and Curriculum Studies	Gender and Inclusive Education Development Specialist
Dr. Evarist Fundisha	Senior Lecturer in Geography	Environment Development Specialist
Mr. Tom Mhongole	Planning Officer	Social Development Specialist
Dr. Fransisco Mugizi	Manager, Planning and Development Unit	M&E Specialist
CPA Bosswell Kambo	Acting Manager, Finance	Finance Management Specialist
Mr. Fadhili Chitanda	Head, PMU	Procurement Specialist
Mr. Edward Nsolo	ICT Officer	Education Technology and Digital Infrastructure Specialist
Dr. Ponciano Kanijo	Head, Marketing Unit	Public Relations/Communications Specialist

2.9 OPERATIONAL PERFORMANCE

The project implementation depends 100% on Government subvention. Also 75% of the project fund has been allocated to finance the construction of buildings. The financial status of the Project, showing income and expenditure for the financial year 2022/2023 and 2021/2022 comparative, is presented in Table 5.

MKWAWA UNIVERSITY COLLEGE OF EDUCATION HEET PROJECT

Table No. 5 :Project Operational Performance 2022/2023 and 2021/2022.

Actual Results					
Description	2022/2023	2022/2023	2021/2022	2021/2022	Increase /Decrease
REVENUE	TZS	USD	TZS	USD	(%)
Government Subvention	0	0	2,416,594,846	1,054,117	0
Amortization of revenue Grants	934,716,027	384,394	0	0	100
TOTAL REVENUE	934,716,027	384,394	2,416,594,846	1,054,117	-61.32
EXPENSES					
Use of goods and Services	889,169,390	365,664	0	0	100
Other expenses	6,480,000	2,666	0	0	100
TOTAL EXPENSES	895,649,390	368,330	0	0	100
Surplus for the Year	39,066,637	16,064	2,416,594,846	1,054,117	-98.38

2.10 Changes in financial statement items

The College received the project fund for the first time on 27 June 2022 and the implementation of the project commenced effectively in the financial year 2022/2023. There are some line items reported in the financial statements have significant changes in the comparison between the reporting financial year (2022/2023) and the previous financial year (2021/2022). Table No. 6; provides explanation of those variances.

MKWAWA UNIVERSITY COLLEGE OF EDUCATION HEET PROJECT

Table No. 6: Explanation of variances in financial items.

Item	2022/ 2023 (TZS)	2022/ 2023 (USD)	2021/ 2022 (TZS)	2021/ 2022 (USD)	Difference (TZS)	Difference (USD)	Remarks
Property, Plant and Equipment	400,016,464	172,719	0	0	400,016,464	172,719	This includes the Project motor vehicles procured during the financial year 2022/2023
Payable and Accruals	363,548,827	156,972.72	0	0	363,548,827	156,972.72	This includes the amount of College Own Source fund borrowed for procurement of the Project motor vehicles.
Receivables	20,000,000	8,635.58	0	0	20,000,000	8,635.58	This includes the amount of unretired imprest for research fund by staff under studies financed by the Project.
Cash and cash equivalent	1,481,878,819	639,844	2,416,594,871	1,054,117	-934,716,052	-403,591	The project fund amounting to USD 1,054,117 equivalent to TZS 2,416,594,871 was received on 27th June, 2022. The implementation of the project commenced in the year 2022/2023.
Project Revenue/Fund Received	0	0	2,416,594,846	1,054,117	2,416,594,846	1,054,117	No fund received during the financial year 2022/2023.
Project Expenses	895,649,390	386,722.53	0	0	895,649,390	386,722.53	No project expenses incurred during the financial year 2021/2022. The project implementation commenced in 2022/2023.

2.11 PROJECT MANAGEMENT AND STAKEHOLDERS' RELATIONSHIP

During the year under review, good relationship between the Project Implementing Units and the stakeholders continued to prevail. There were no complaints/disputes received by the Project Coordinator from any of the stakeholder during the year. The relationship between Project Implementing Units and staff through their bodies, including UDASA, RAAWU and THTU was equally good.

HEET Project is an equal opportunity project. It ensures equal access, free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability. The project continued to facilitate staff in pursuing their studies, during this financial year the project financed 16 staff to pursue their studies.

2.12 RELATED PARTY TRANSACTIONS

2.13 Related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. It includes remuneration of key Management personnel, close members of the family of key Management personnel if any, remuneration to Governing Board members and any other person or entity which has significance influence on the decisions regarding the Project. During the reporting period there was no related party transactions to report.

2.14 APPOINTMENT OF AUDITORS

The Controller and Auditor General (CAG) is the statutory auditor of MUCE HEET Project by virtue of Article 143 of the Constitution of the United Republic of Tanzania (URT) as amplified in sections 5,9,12 and 32 of the Public Audit Act No. 11 of 2008. Therefore, the Controller and Auditor General will audit the financial statements of MUCE HEET Project for the year ended 30 June 2023.



Prof. William A. L. Anangisye
Chairperson of the Board



CPA Mwanaidi A. Mtanda
Member of the Board

DATE 23rd DECEMBER 2023


3.0 GOVERNING BOARD'S RESPONSIBILITY ON FINANCIAL REPORTS

It is the responsibility of the Governing Board to ensure that financial statements and a report that gives a true and fair view of the financial position and state of affairs of MUCE operations at the end of every financial year are prepared. It is also the responsibility of the Governing Board to ensure that the College maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the College.

The Governing Board is also responsible for the safeguarding of the assets of the College and hence for taking reasonable steps for (in) the prevention and detection of fraud, error and other irregularities. Therefore, the Governing Board hereby confirms that suitable policies have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the College's Financial Statements for the year ended 30 June 2023.

The Governing Board further confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going-concern basis. The Board has reasonable expectation that MUCE has adequate resources to continue in operation for the foreseeable future. The Governing Board also accepts responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

BY ORDER OF THE BOARD



Prof. William A. L. Anangisye
Chairperson of the Board

DATE

23RD DECEMBER 2023



Prof. Deusedit A. Rwehumbiza
Acting College Principal

MKWAWA UNIVERSITY COLLEGE OF EDUCATION

4.0 DECLARATION OF THE HEAD OF FINANCE / ACCOUNTING FOR THE YEAR ENDED 30 JUNE 2023

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. 2021, 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 Governing Board and Management to discharge the responsibility of preparing financial statements of the College showing a true and fair view of the College's financial position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of the financial statements rests with the Governing Board.

I, CPA **BOSSWELL AMIRI KAMBO** being the Acting Head of Finance of MKWAWA UNIVERSITY COLLEGE OF EDUCATION (MUCE) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th 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 MKWAWA UNIVERSITY COLLEGE OF EDUCATION (MUCE) as on that date and that they have been prepared based on properly maintained financial records.

Signed by: CPA **BOSSWELL AMIRI KAMBO**
Position: **ACTING MANAGER OF FINANCE UNIT**
NBAA Membership No. **CPA 8377**

Signature 

Date: 23RD DECEMBER 2023

MKWAWA UNIVERSITY COLLEGE OF EDUCATION

5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

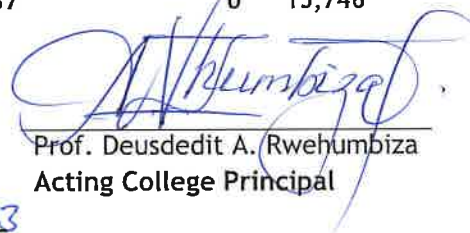
	Note	2022/23 TZS	2021/2022 TZS	2022/23 USD	2021/22 USD
ASSETS					
Current Asset					
Cash and Cash Equivalents	2	1,481,878,819	2,416,594,871	639,844	1,054,117
Receivables	3	20,000,000	0	8,636	0
Total Current Asset		1,501,878,819	2,416,594,871	648,480	1,054,117
Non-Current Asset					
Property, Plant and Equipment	4	400,016,464	0	172,719	0
Total Non-Current Asset		400,016,464	0	172,719	0
TOTAL ASSETS		1,901,895,283	2,416,594,871	821,198	1,054,117
LIABILITIES					
Current Liabilities					
Deferred Income	5	1,501,878,819	2,416,594,871	648,480	1,054,117
Payables and Accruals	6	363,548,827	0	156,972	0
Total Current Liabilities		1,865,427,646	2,416,594,871	805,452	1,054,117
TOTAL LIABILITIES		1,865,427,646	2,416,594,871	805,452	1,054,117
Net Assets		36,467,637	0	15,746	0
NET ASSETS/EQUITY					
Capital Contributed by:					
Taxpayers/Share Capital		0	0	0	0
Accumulated Surpluses / Deficits		36,467,637	0	15,746	0
TOTAL NET ASSETS/EQUITY		36,467,637	0	15,746	0



Prof. William A. L. Anangisye
Chairperson of the Board

DATE:

23rd DECEMBER 2023


Prof. Deusdedit A. Rwehumbiza
Acting College Principal

MKWAWA UNIVERSITY COLLEGE OF EDUCATION

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

	Note	2022/23	
		TZS	USD
REVENUE			
Revenue			
Revenue Grants	8	934,716,027	406,902
TOTAL REVENUE		934,716,027	406,902
EXPENSES AND TRANSFERS			
Expenses			
Other Expenses	9	5,880,000	2,560
Use of Goods and Service	10	891,768,390	388,206
Wages, Salaries and Employee Benefits	11	600,000	261
Total Expenses		898,248,390	391,027
TOTAL EXPENSES AND TRANSFERS		898,248,390	391,027
Surplus / Deficit		36,467,637	15,875



Prof. William A. L. Anangisye
Chairperson of the Board

DATE:

23RD DECEMBER 2023



Prof. Deuseddit A. Rwehumbiza
Acting College Principal

MKWAWA UNIVERSITY COLLEGE OF EDUCATION

5.3 CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2023

		2022/23	2021/22	2022/23	2021/22
		TZS	TZS	USD	USD
CASH FLOW FROM OPERATING ACTIVITIES					
RECEIPTS					
External Assistance	7	0	2,416,594,871	0	1,054,117
Total Receipts		0	2,416,594,871	0	1,054,117
PAYMENTS					
Wages, Salaries and Employee Benefits	11	600,000	0	261	0
Use of Goods and Service	12	528,219,588	0	229,946	0
Other Expenses	9	5,880,000	0	2,560	0
Total Payments		534,699,588	0	232,767	0
NET CASH FLOW FROM OPERATING ACTIVITIES		(534,699,588)	2,416,594,871	(232,767)	1,054,117
CASH FLOW FROM INVESTING ACTIVITIES					
Acquisition of Property, Plant and Equipment	4	400,016,464	0	174,135	0
Total Investing Activities		(400,016,464)	0	(174,135)	0
NET DECREASE		(934,716,052)		(406,902)	
Cash and cash equivalent at beginning of period		2,416,594,871	0	1,054,117	0
Cash and cash equivalent at end of period		1,481,878,819	2,416,594,871	647,215	1,054,117

Prof. William A. L. Anangisye
Chairperson of the Board

DATE:

23RD DECEMBER 2023

Prof. Deusdedit A. Rwehumbiza
Acting College Principal

MKWAWA UNIVERSITY COLLEGE OF EDUCATION

5.4 STATEMENT OF CHANGES IN NET ASSET FOR THE PERIOD ENDED 30 JUNE 2023

	Surplus/ Deficit for the Year		Closing Balance as at 30 Jun 2023	
	TZS	USD	TZS	USD
Tax Payer's Fund	0	0	0	0
Accum. Surplus/(Deficit)	36,467,637	15,746	36,467,637	15,746
Total	36,467,637	15,746	36,467,637	15,746



Prof. William A. L. Anangisye
Chairperson of the Board

DATE:

23RD DECEMBER 2023



Prof. Deusdedit A. Rwehumbiza
Acting College Principal

MKWAWA UNIVERSITY COLLEGE OF EDUCATION

5.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE PERIOD ENDED 30 JUNE 2023

DETAILS	PAYMENTS										Net Receipts/Payments	
	Subvention from other Government entities	Total Receipts	Other Expenses	Use of Goods and Service	Wages, Salaries and Employee Benefits	Acquisition of Property, Plant and Equipment	Total Payment					
Original Budget	TZS 2,022,777,035	2,022,777,035	21,024,128	857,964,270	4,652,200	1,676,053,263	2,559,693,861					-536,916,825
Reallocations/ Adjustments	USD 882,153	882,153	9,171	374,243	2,029	731,093	1,116,537					-234,384
	TZS 0	0	0				0					0
	USD 0	0					0					0
Final Budget (A)	TZS 2,022,777,035	2,022,777,035	21,024,128	857,964,270	4,652,200	1,676,053,263	2,559,693,861					-536,916,825
	USD 882,153	882,153	9,171	374,243	2,029	731,093	1,116,537					-234,384
Actual Amount on Comparison Basis (B)	TZS 2,416,594,871	2,416,594,871	5,880,000	528,219,588	600,000	400,016,464	934,716,052					1,481,878,819
	USD 1,054,117	1,054,117	2,560	229,946	261	174,135	406,902					647,215
Different Final Budget & Actual (A-B)	TZS -393,817,836	-393,817,836	15,144,128	329,744,682	4,052,200	1,276,036,799	1,624,977,809					-2,018,795,644
	USD -171,964	-171,964	6,611	144,298	1,768	556,957	709,634					-881,598

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2023

NOTE 1: GENERAL INFORMATION AND OTHER SIGNIFICANT ACCOUNTING POLICY

1.1 GENERAL INFORMATION

Mkwawa University College of Education (MUCE) was established as a constituent College of the University of Dar es Salaam in 2005. MUCE came into being following the decision of the Government of the United Republic of Tanzania (URT) to transform the former Mkwawa High School into a University College. This decision was published in the Government Gazette as Government Notice Number 203 on 22 July 2005. The College is one of the beneficiaries of the HEET project with the budget of USD 8,000,000.00. This approved project budget has to implement within five (5) years.

1.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Principal Accounting Policies adopted in the preparation of the College HEET Project Financial Statements are set out below. The University College has opted to present comparative HEET Financial information as allowed by IPSAS 1 Presentation of Financial Statements.

1.3 Statement of Compliance and Basis of Preparation

HEET Financial Statements have been prepared in accordance with and in compliance with International Public Sector Accounting Standards (IPSAS). This is the first set of HEET Financial Statements of the University College to be prepared under IPSAS Accrual Basis. The HEET Financial Statements have been presented in Tanzanian Shillings (TZS) and in US Dollar as required by HEET Project Operational Manual, 2021 para 7.2.2. These Financial Statements have been prepared under the historical cost unless stated otherwise. The Cashflows Statement is prepared using the direct method.

The preparation of Financial Statements in conformity with IPSAS Accrual Basis requires the use of certain critical Accounting Estimates. It also requires the management to exercise its judgment in the process of applying the College's Accounting Policies and Project Directives. During the year 2022/2023 the College had been using "Mfumo wa Ulipaji Serikalini" (MUSE) which has inbuilt enhanced controls compliant with IPSAS Accrual basis.

1.4 Functional and presentation currency

Items included in the HEET Financial Statements of MUCE are measured using both the currency of primary economic environment in which the University College operates (the functional currency) and the foreign currency (US Dollar). HEET Financial Statements are therefore presented in Tanzanian Shillings and in US Dollar. Transactions denominated in currencies other than

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Tanzanian Shillings are translated into Tanzanian shillings at the exchange rates prevailing at the transaction dates. Monetary assets and liabilities in foreign currencies at the year-end are translated into Tanzanian shillings at the rates of exchange ruling at the end of the financial year or at the date received. The resultant gains/losses on exchange rate translations are recognized as income or expenses in the period in which they arise.

5.6 Exchange rate application in the financial statements

The Project Financial Report has been prepared using both Tanzania shillings and USD Currency. The exchange rate used in financial statements to different line items varies and can be explained as follows;

The exchange rate used under each item of the statement of financial position is the one prevailing at the time of closure of financial statements that is at the year end. Therefore, cash and cash equivalent, account receivable, Property Plant and Equipment (PPE) and liabilities have been converted at closing exchange rate of TZS 2,316/USD.

The exchange rate applied for all items of the statement of financial performance is the average exchange rates that was prevailing at date of amortization, when fund received and when transaction took place that is TZS 2,295.40/USD and TZS 2,298.40/USD equivalent to TZS 2,297/USD. Expenses have been converted at the average exchange rates where fund transferred from BOT USD account that is TZS 2,295.40/USD and TZS 2,298.40/USD equivalent to TZS 2,297.15/USD. Also, statement of changes in equity has been converted using the closing rate of TZS 2,316/USD.

1.5 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Impairment test is done when there are indicators that the book value of assets does not reflect fair value or value in use.

Depreciation was not charged during the financial year 2022/2023 because the motor vehicles were bought at the end of the financial year. Depreciation is provided for on straight-line basis and calculated separately for each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item. Applicable depreciation rates for Property, Plant and Equipment are as follows:

PPE Category	Depreciation Rate
Buildings	2.0%
Plant and Machinery	6.7%
Motor vehicles	20.0%
Furniture, Fixture and Equipment	20.0%

MKWAWA UNIVERSITY COLLEGE OF EDUCATION

Computers and Accessories	25.0%
Amortization of Software	10.0%

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the asset is classified as held for sale in accordance with IPSAS 17 and the date that the asset is derecognised.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. No depreciation is charged if the residual value of an item is equal to or greater than its carrying value.

1.6 Cash and cash equivalents

The MUCE's HEET Project cash comprises cash with banks. The carrying amounts of cash refer to actual cash available.

1.7 Provisions

MUCE recognizes provisions when it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

1.8 Revenue Recognition

HEET Project revenue comprises of the Government Subventions. Revenues from non-exchange transactions with government are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the University College and can be measured reliably.

1.9 Financial Risk Management

The Project's operations are exposed to a variety of financial risks, but the most prevailing one is foreign currency risk. The College's overall risk management plan seeks to minimize potential adverse effects on the Project's financial performance. Risk management is carried out by the management under the policies approved by the Governing Board.

The HEET Project's exposure to foreign exchange risks arises from foreign grants, purchases and liabilities denominated in currency other than the functional currency. As a result, the Project is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates.

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Exposure to foreign currency risk is mitigated by the fact that the Project maintains certain part of its cash in Us Dollar account. The effect of foreign currency risk is not significant and therefore the College management does not hedge against foreign currency risk.

Note 2: Cash and Cash Equivalent

	2022/23	2021/22	2022/23	2021/22
	TZS	TZS	USD	USD
Development Expenditure Cash Account	62,392,298	0	26,940	0
USD BOT Collection Account	1,419,486,521	2,416,594,871	612,904	1,054,117
	1,481,878,819	2,416,594,871	639,844	1,054,117

Note 3: Receivables

		2022/23	2021/22	2022/23	2021/22
		TZS	TZS	USD	USD
Receivables	3	20,000,000	0	8,636	0

Note 4: Property Plant and Equipment

Particulars	Buildings	Motor Vehicles and Motor Cycles	TOTAL
	TZS	TZS	TZS
COST			
Balance as at July 2022	0	0	0
Additions	0	378,563,393	378,563,393
WIP Capitalized in the year	21,453,071	0	21,453,071
Balance as at June 2023	21,453,071	378,563,393	400,016,464
DEPRECIATION			
Balance as at July 2022	0	0	0
Charge for the year	0	0	0
Balance as at June 2023	0	0	0
NET BOOK VALUE			
As at 30.06.2023	21,453,071	378,563,393	400,016,464
As at 01.07.2022	0	0	0

WIP refer to preliminary costs like Environmental Impact Assessment for planned building to be built.

Note 5: Deferred Income

	2022/23	2021/22	2022/23	2021/22
	TZS	TZS	USD	USD
Development Deferred Income	1,501,878,819	2,416,594,871	648,480	1,054,117
	1,501,878,819	2,416,594,871	648,480	1,054,117

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Note 6: Payables and accruals

	2022/23	2021/22	2022/23	2021/22
	TZS	USD	TZS	USD
Payables to Implementing Agencies	363,548,827	0	156,972	0
	363,548,827	0	156,972	0

Note 7: External Assistance

	2022/23	2021/22	2022/23	2021/22
	TZS	TZS	USD	USD
World Bank (IDA)	0	2,416,594,871	0	1,054,117
	0	2,416,594,871	0	1,054,117

Note 8: Revenue Grant

	2022/23	2021/22	2022/23	2021/22
	TZS	TZS	USD	USD
Government Grant Development Foreign	934,716,027	0	406,902	0
	934,716,027	0	406,902	0

Note 9: Other expenses

	2022/23	2021/22	2022/23	2021/22
	TZS	TZS	USD	USD
consultancy fees	5,880,000	0	2,560	0
	5,880,000	0	2,560	0

Note 10: Use of goods and Services

	2022/23	2021/22	2022/23	2021/22
	TZS	TZS	USD	USD
Air Travel Tickets	1,150,000	0	501	0
Computer Software	1,200,000	0	522	0
e Training Materials	2,880,000	0	1,254	0
Food and Refreshments	33,858,000	0	14,739	0
Ground travel (bus, railway taxi, etc)	61,952,090	0	26,969	0
Per Diem Domestic	364,592,000	0	158,715	0
Research and Dissertation	116,305,000	0	50,630	0
Tuition fees	147,004,300	0	63,994	0
Upkeep Allowances	162,827,000	0	70,882	0
	891,768,390	0	388,206	0

Note 11: Wages, Salaries and Employee benefits

	2022/23	2021/22	2022/23	2021/22
	TZS	TZS	USD	USD
Outfit Allowance	600,000	0	261	0
	600,000	0	261	0

MKWAWA UNIVERSITY COLLEGE OF EDUCATION

Note 12: Cash used in goods and services

	2022/23	2021/22	2022/23	2021/22
	TZS	TZS	USD	USD
Air Travel Tickets	1,150,000	0	501	0
Computer Software	1,200,000	0	522	0
e Training Materials	2,880,000	0	1,254	0
Food and Refreshments	33,858,000	0	14,739	0
Ground travel (bus, railway taxi, etc)	61,952,090	0	26,969	0
Per Diem Domestic	364,592,000	0	158,715	0
Research and Dissertation	62,587,498	0	50,630	0
	528,219,588			

Note 13: Reconciliation of Net Cash Flows from Operating Activities to Surplus/(Deficit) for the Period ended 30 June, 2023

	2022/23	2021/22	2022/23	2021/22
	TZS	TZS	USD	USD
Surplus/ Deficit for the Period	36,467,637	2,416,594,871	15,875	1,054,117
Add/ (Less) Change in Working Capital				
Deferred Income	-551,167,200	0	239,935	0
Receivables	-20,000,000	0	8,706	0
Net Cash Flow from Operating Activities	-534,699,563	2,416,594,871	248,642	1,054,117

Note 14: EXPLANATIONS FOR VARIANCES

IPSAS 24 Requires a comparison of budgeted amount and actuals arising from the execution of the budget to be included in the Financial Statements of entities that are required to make publicly available their approved budget and for which they are held publicly accountable.

Explanations for variances are provided under this note:

- (a) During the reporting period the College has not received funds for implementation of activities of Higher Education for Economic Transformation Project. Most of these funds are for construction project and the procurement procedures are going on; and
- (b) A total of TZS 2,022,777,035.37 equivalent to USD 882,153.09 which represent the budgeted fund for the financial year 2022/2023, was not collected by the College during reporting year. The uncollected fund was not received because the College was in the preliminary stages of procurement.