



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



**MWALIMU JULIUS K. NYERERE UNIVERSITY OF AGRICULTURE AND
TECHNOLOGY (MJNUAT)**

**(HIGHER EDUCATION FOR ECONOMIC TRANSFORMATION PROJECT)
IDA 68870**

**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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December 2023

AR/PA/MJNUAT/2022/23



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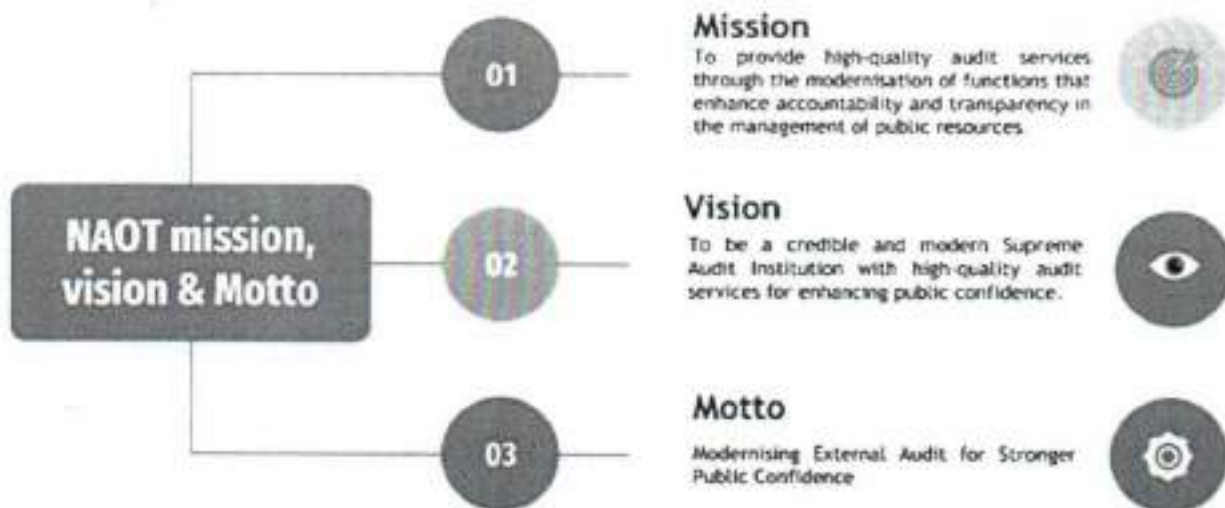
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About the National Audit Office

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 Mwalimu Julius K. Nyerere University of Agriculture And Technology (MJNUAT) 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.

TABLE OF CONTENTS

ABBREVIATIONS.....	iii
1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL	1
1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS.....	1
1.2 REPORT ON COMPLIANCE WITH LEGISLATION	4
2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023.....	6
3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE	21
4.0 STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2023... ..	22
5.0 DECLARATION OF THE HEAD OF FINANCE.....	23
6.0 FINANCIAL STATEMENTS.....	24
6.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023	24
6.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023.....	25
6.3 CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023.....	26
6.4 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023	27
6.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2023	28
6.6 SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURE	30
6.7 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023.....	35

ABBREVIATIONS

AR	Audit Report
CAG	Controller and Auditor General
HEET	Higher Education Economic Transformation
ICT	Information Communication Technology
IPSASs	International Public Sector Accounting Standards
MJNUAT	Mwalimu Julius Kambarage Nyerere University of Agriculture and Technology.
NAO	National Audit Office
PA	Public Authorities
PIUC	Project Implementation Unit Committee
PPA	Public Procurement Act, 2004
PPE	Property, Plant and Equipment
TCU	Tanzania Commission for Universities
TZS	Tanzanian Shillings
URT	United Republic of Tanzania

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Chairperson of the Council,
Mwalimu Julius K. Nyerere University of Agriculture and Technology,
P.O. Box 976,
Musonda-Mara

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Higher Education Economic Transformation Project (HEET), being implemented by Mwalimu Julius K. Nyerere University of Agriculture and Technology which comprise the statement of financial position as at 30 June 2023, and the statement of financial performance, 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 the financial statements of Higher Education Economic Transformation Project being implemented by the Mwalimu Julius K. Nyerere University of Agriculture and Technology for Education Economic Transformation Project, 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 Mwalimu Julius K. Nyerere University of Agriculture and Technology for Higher Education Economic Transformation Project 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 opinion.

Other Information

Management is responsible for the other information. The other information comprises the report by those charged with the governance, statement of responsibility by those charged with the 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 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 communicated 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 LEGISLATION

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 Mwalimu Julius K. Nyerere University of Agriculture and Technology for Education Economic Transformation Project 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 Higher Education Economic Transformation Project being implemented by the Mwalimu Julius K. Nyerere University of Agriculture and Technology for Education Economic Transformation Project 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 Mwalimu Julius K. Nyerere University of Agriculture and Technology for Higher Education Economic Transformation Project 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, except for the matters described below, Budget formulation and execution of Higher Education Economic Transformation Project being implemented by the Mwalimu Julius K. Nyerere University of Agriculture and Technology for Education Economic Transformation Project is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

Inadequate Implementation of Planned Budget Activities

It revealed that MJNUAT's initial HEET budget for the year 2021/22, totalling TZS 45,215,386,339 was transferred to 2022/23 due to the non-utilization of funds for planned project activities. This action contradicted Para 7.2.2 of the Project Operational Manual, which mandates MJNUAT to prepare a work plan and budget for submission to the National Project Steering Committee (NPSC) and subsequently to the World Bank for approval. Furthermore, only TZS 1,067,835,546 of the prior approved budget was utilized in the fiscal year 2022/23, indicating a non-implementation of TZS 44,147,550,793 from the previous approved budget.


Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
December 2023



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

2.1 INTRODUCTION

In compliance with section 30 of the Public Finance Act Cap 348 and the Tanzania Financial Reporting Standard No. 1 (TFRS 1) on Governance Report, Those Charged with Governance are pleased to submit their report and financial statements of Higher Education for Economic Transformation (HEET) project implemented by MJNUAT University for the year ended 30 June 2023.

PROJECT OUTLOOK

2.1.1 Project Establishment

MJNUAT is a new university based in secondary cities and rather outside the nearby cities and towns, thereby, on one hand, giving it an added advantage to be close to communities it seeks to serve and work with in order to transform their livelihood and overall, socio-economic development. In so doing, MJNUAT seeks to mount societal and industry responsive curricula; adopting practical training approaches that embed students training in production systems of resource poor farmers; as well as working with communities, industries and grass-root private institutions in research development, execution and dissemination of technologies. The university also seeks to build research capacity and adopt entrepreneurial practices in order to make the university competitive and responsive to national needs.

MJNUAT being a new university, does not have basic infrastructure related to lecture theatres and rooms; seminar rooms, laboratories, workshops, farm structures, staff offices, farm equipment and machineries, laboratory and workshop equipment required to allow it to kick-start and mount innovative and strategic programmes at technical and degree levels. Some of the required resources are key to support research undertakings and public services including creating provisions for business incubators/hubs and other forms of resources, which are fundamental in generating a different cadre of graduates. Given the location of the university, which is about 50 km from Musoma Municipality and given the low economic status of the region, to begin with, construction of some students' hostels and few staff houses is inevitable.

MJNUAT also aspires to offer innovative and industrial centred training programmes. Although, the curricula were developed in 2015, it is important to review them in line with stakeholder inclusiveness that underpins orientation of training programmes to job market needs, including coming up with programmes that instil entrepreneurial tendencies among students in a bid to catalyse their transition into agribusiness and other businesses. This institutional aspiration also calls for adoption of online teaching and learning approaches given that paper-based books and other learning resources are hard to come-by, are

expensive and constitute a gross liability to quality education. Therefore, acquisition and installation of requisite ICT infrastructure; procurement of appropriate Moodle packages; availability of robust Internet connectivity and building online pedagogy capacities among staff are key to guaranteeing quality education, educational equity and making MJNUAT to operate differently even at times of unusual events.

The university as of now has a junior staff body that mainly comprises staff with BSc/BA and MA/MSc qualifications. It is therefore important to set up a staff development program that allows access to scholarships to support MSc/MA and PhD training. MJNUAT also seeks to build a critical mass of technicians, field officers, and technologists with adequate competencies to administer the unique practical training sessions that aim in offering optimal practical knowledge and skills to students and other stakeholders. In so doing, MJNUAT seeks to embed staff placement in the industry and to make use of experts seated in the industry in order to best reorient programme delivery. This include mounting retooling courses in pedagogy, quality assurance, curriculum development and review, research, consultancy and publication in order to enable MJNUAT to be branded as a research, technology and industry-centred university. These institutional aspirations are in line with MJNUAT Corporate Strategic Plan as well as other strategic frameworks, which all aim at placing the university at the centre stage of generating business-minded graduates; enabling the university to be responsive to societal and national needs and enabling the institution to create innovative linkages with societies/communities and the industry at large.

2.1.2 Mission

The mission of the University is "To catalyse societal and industrial development through training; generation and diffusion of knowledge and technologies and, outreach services"

2.1.3 Vision

The Vision of the University is "To become an innovative science and technology centre that serves as an engine for development"

2.1.4 Principal activities and mandated functions

- i. The objects and functions of the University focus on advancing contemporary knowledge to students and other stakeholders and generates and makes available information, technologies and innovations emanating from research and providing advisory services to the industries and other stakeholders The university shall also be involved in franchising technologies and innovations as well as in production ventures.
- ii. The University shall also do any other thing in accordance with the provisions of this Charter or any other written law in force in the United Republic of Tanzania, in pursuance of its mission, core values and corporate social responsibility.

2.1.5 Project objectives

Project Development Objective

To strengthen the learning environment and labour market alignment of priority programs at beneficiary higher education institutions and improve the management of the higher education system.

Focus Areas

Based on MJNUAT USIP. The university is implementing the following strategic areas:

Area 1: Construction or rehabilitation of infrastructure & upgrading teaching resources.

Area 2: Updating curriculum and introducing innovative pedagogical methodologies.

Area 4: Building functional linkages with private sector/industry.

Area 5: Strengthening the use of digital technology.

Area 7: Building capacity of academic staff and university leadership

2.2 PROJECT GOVERNANCE AND MANAGEMENT

2.2.1 Governing Council

MJNUAT is governed by the University Council and its Chairperson is appointed by the President of URT and 10 members who are appointed by the Minister for the Ministry of Education, Science and Technology. MJNUAT's Council is still new and yet to be launched. It is expected to be launched soon.

The Council is composed a chairperson, deputy chairperson and 10 members including male and female. The Council is mandated to convene four meetings per year.

Table 1: Members of the University Council and their Details

SN	Name	Position	Age	Qualification/ Discipline	Nationality	Appointed
1.	Hon. Philemon L. Luhanjo	Chairman	78	Retired-Chief Secretary of Government	Tanzanian	04 October 2022
2.	Mr. Fredrick F. Kayombo	Member	45	Assistant Director of Administration-MOEST	Tanzanian	04 July 2023
3.	Ms. Mary Aloyce Kabatanga	Member	61	Specialist of Agricultural Development-RUDI	Tanzanian	04 July 2023
4.	Dr. Eliezeous Kalugendo John	Member	50	Chief Accountant Public Sector	Tanzanian	04 July 2023

SN	Name	Position	Age	Qualification/ Discipline	Nationality	Appointed
				Financial Statements Consolidation Unit- MOF		
5.	Ms. Beatrice Raphael Kimoleta	Member	44	Director of Regional Secretariats-PO- 58RALG	Tanzanian	04 July 2023
6.	Prof. Hezron Emmanuel Nonga	Member	58	Director of Extension and Veterinary Services- Ministry of Agricultural	Tanzanian	04 July 2023
7.	Ms. Anna Green Mwangamilo	Member	47	Director of Agricultural Equipment and Value Addition-Ministry of Agricultural	Tanzanian	04 July 2023
8.	Mr. Mohamed Hussein Mpina	Member	41	Researcher Officer II- Mamlaka ya Afya na Mimea na Viatilifu	Tanzanian	04 July 2023
9.	Ms. Odina Michael Migowe	Member	40	Asst. Lecturer- MNJUAT	Tanzanian	04 July 2023
10.	Dr. Edward Pius Mbwambo	Member	45	Lecturer-MNJUAT	Tanzanian	04 July 2023

Source: University Board minutes

Matters from Project Implementation committee (PIU) are reported to university management committee and project steering committee and eventually submitted to council through planning and finance committee which is the sub-committee of the council.

The steering committee was recently established and its members are presented in the table 3 below.

Table 2: List of members of the Steering Committee

S/N	Members	Title	Committee Position
1	Prof. Lesakit S. Mellau	Vice Chancellor	Chairperson
2	Mr. Msalika Robert Makungu	RAS - Mara Region	Member
3	Mr. Rutegumirwa Rutalemwa Peter	DAS - Butiama	Member
4	Prof. Msafiri M. Jackson	DVC(PFA)&HEET Project Coordinator-MJNUAT	Member
5	Ms. Aziza Juma Baruti	DED - Butiama	Member
6	Prof. Agnes G. Mwakaje	Dean (SBEES)-MJNUAT	Member
7	Mr. Credo Lugaila	PHRO-RAS Mwanza	Member
8	Mr. Paschal Mahinyira	Principal , Buhare CDTI	Member
9	Eng. Cosmas F. Sanda	MD - Mugango Kiabakari Water Authority	Member
10	Eng. Hussein M. Mwankunja	RM - TANESCO, Mara	Member
11	Eng. Boniphace William	RM - TARURA, Mara	Member

S/N	Members	Title	Committee Position
12	Eng. Mohamed K. Mohamed	RM -TBA, Mara	Member
13	Eng. Tulinumpoki A. Mwakalukwa	RM - RUWASA, Mara	Member

Source: Project Management report

The responsibilities of the Steering Committee shall include the following:

- The Committee shall provide an oversight role in project execution; consider and approve quarterly project and monitoring and evaluation (M&E) reports for onward transmission to internal institutional organs before submission to the Ministry, using the prescribed project reporting tool; consider and approve detailed and timeline-bound annual work plans; and consider and approve expenditure reports and additional fund applications;
- The Committee shall have quarterly meetings in line with the institutional calendar of meetings;
- The Committee, in conjunction with the UPIU, shall be required to ensure and provide evidence that project implementation and reporting are participatory and inclusive in nature; and
- The Committee shall have a supportive and guidance role to the UPIU and shall not cause administrative or bureaucratic delays to HEET Project.

During the reporting period (2022-2023), the university had no council, and therefore matters from PIU were reported to University Management Committee (UMC) or provisional Human Resource Management and Development Committee, depending on the matter. In the absence of the council, UMC has been functioning on behalf of University governing organ. A total of 40 PIU committee meetings were held mostly in weekly basis, and matters from this committee were reported to appropriate university organs.

2.2.2 Management Team

The project is managed by the Project Implementation Unit. The unit composition is presented in table 4 below and roles and responsibilities of PIU members are presented in section 2.2.2

Table 3: The list of PIUC members

SN	Name	Title	Role
1.	Prof. Eng. Msafiri Jackson	Deputy Vice Chancellor - PFA	UPIU Coordinator
2.	Dr. Thobias Mwalingo Kalenga	Lecturer	Deputy Project Coordinator
3.	Dr. Erasto M. Focus	Lecturer	/Industrial and private Sector Linkages FP
4.	Prof Agnes G. MwakaJe	Ag. Dean (SBEE)	Environment FP
5.	CPA. Peter S. Mambosho	Head of Department	Finance Management FP
6.	CPA. Hamis J. Razack	Accountant II	Assistant Finance Management FP
7.	QS. Salum R. Chezeni	Department Head	Infrastructure Development FP
8.	Mr Wilson Malima	Estate Officer	Assistant Infrastructure Development FP
9.	CPSP Anastazia Mathayo	Head of PM	Procurement FP
10.	Mr. Wilbert Mgoma	Instructor	Assistant Procurement FP
11.	Dr. Joel J. Matiku	Head of Department	Curriculum FP
12.	Dr. Samwel M. Mnyoro	Head of Department	Assistant Curriculum FP
13.	Mr. Mkama D. Lugina	Head of Department	Monitoring and Evaluation FP
14.	Ms. Salome M. Masebo	Assistant Lecturer	Assistant Monitoring and Evaluation FP
15.	Ms. Prisca Mavika	Assistant Librarian	Gender and Inclusive Education FP
16.	Dr. Edward Mbwambo	Lecturer	Social FP
17.	Dr. Lekumok L. Kironyi	Department Head	Capacity Development FP
18.	Mr. Harold Malisa	ICT Officer	Education Technology and Digital Infrastructure FP
19.	Mr. Rodwick Swai	Instructor	Assistant Education Technology and Digital Infrastructure FP
20.	Mr. Faridi Mnakatu	Public Relation Officer	Public Relations/

Source: Project Management report

The Project Implementation Unit Committee (PIUC) conducted 40 meetings in the financial year. Actions plans for 2022/2023 and 2023/2024 were developed by each FP, presented to the PIUC and endorsed. University level Action Plan, budget, cash flow and procurement plan were developed by the PIUC, and presented to management Committee for approval. Project Monitoring and Evaluation Committee is in existence. Activities performed by the committee includes monitoring of the project implementation progress and preparation of quarterly and annual reports. Gender unit works together with the environment and social safeguards (ESS) group. ESS Committee does exist and it handles among other things, matters pertaining to gender issues. The committee has developed draft gender policy, and it is in the finalization stage of the document.

2.3 KEY PERFORMANCE INDICATORS

Table 4: Key performance indicators

Indicator	Target	Actual achievement	%-Annually	Source	Definition
1. Newly established or revised curricula (meeting labor market standards) as approved by the national and regional accreditation organs.	2	3	150%	TCU Approved Curricula	"This indicator measures the number of new or revised curricula introduced in priority areas by higher education institutions supported by the project that meet quality standards as demonstrated by their accreditation by national and/or sub-regional accreditation organs. The data should indicate the specific programs/level, national and sub-regional accreditation and the accreditation agencies used."
2. Number of supported priority programs using digital technology in teaching and learning	0	1	-	MJNUAT Facts and Figures, MJNUAT Project Monitoring Implementation Progress Reports, MJNUAT Management Information Systems	"This indicator measures the number of priority programs supported by the project that use digital technology (eg. virtual labs, online courses, MOODLE, augmented reality, etc.) in instructional practices and/or to aid learning. The data provided to meet this indicator should include a short description of the type of digital technology being used in the programs."
3. Percentage of core university administrative services (application, admission and registration; learning management; financing; examination results; human resource administration and management, physical resource management) delivered to constituents via digital platforms	20%	20%	100%	MJNUAT Facts and Figures, MJNUAT Project Monitoring Implementation Progress Reports, MJNUAT Management Information Systems	"This indicator measures the extent to which universities are using digital platforms to deliver core administrative services, thereby improving efficiency. Core university administrative services include: application, admission and registration; learning management; financing; examination results; human resource administration and management, physical resource management To meet this indicator, institutions will have to provide links to the digital platforms."

Indicator	Target	Actual achievement	%-Annually	Source	Definition
4. Number of university staff and leaders who received training on teaching and supporting students with special educational needs	5	3	60%	Students' & Staff database	Definition was modified to: This indicator measures the number of faculty members, staff and university leaders who receive training on teaching, supporting and handling matters related to students with special education needs or disabilities.
5. Staff (academic and other) enrolled in advanced degree programs to upgrade their capacity	17	19	112%	MJNUAT Facts and Figures, MJNUAT Project Monitoring Implementation Progress Reports, MJNUAT Management Information Systems	This indicator measures the total number of students, faculty, university staff and leaders and government staff that benefit from the project's interventions
6. Grievances received and addressed within stipulated timeframe	10	1	10%	MJNUAT fact and figures, University Annual Report	This indicator measures the percentage of grievances which are properly and timely addressed by relevant authorities. HLLs will have to provide reports.

Source: Project Management report

Newly established or revised curricula (meeting labor market standards) as approved by the national and regional accreditation organs to be able to enrol students in the financial year 2023/24 for the first time, the University has adopted three curricula one from University of Dar es Salaam (COICT) and two from Sokolne University of Agriculture. The adoption approach of the programmes has been endorsed by TCU. Number of supported priority programs using digital technology in teaching and learning.

2.3.1 Financial Position

Total Asset decreases from TZS 17,370,344,949 to TZS 16,467,471,603 from year 2022 to 2023. This decrease was attributed by fund worth TZS 1,067,835,546 utilized to implement operation activities of project. During the period under review there were no Property Plant and Equipment (PPE), prepayments, receivables that were generated.

Total deferred income decreased from TZS 17,370,344,949 in 2022 to TZS 16,467,471,603 in 2023. The decrease resulted into utilization of funds for the project. This is the fund which is not yet spent to implement various activities of the project as per plan.

The funds that were not utilized during the year were allocated for construction of main campus and Tabora campus and acquisition of motor vehicles which are awaiting the completion of procurement processes.

2.3.2 Financial Performance

Under the reporting period 2022/23 total revenue generated was TZS 1,067,835,546 and total expense was TZS 1,067,835,546 as a result there was neither surplus nor deficit. Cash and cash equivalent for the project in 2022 was TZS 17,370,344,949 whereby during the reporting period 2022/23 a total of TZS 1,067,835,546 was spent (outflows) for implementation of project operations. At the end of the year amount unspent for the project was TZS 16,467,471,603

2.4 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

- Strategic, commercial, operational and financial risks (that may significantly affect the project's strategies and development of the project's value
- Possible risks that that may significantly affect the project's strategies and development of the project's value are as highlighted below: -
- Increase of stigma and discrimination, Misappropriation of Funds, Possibility of having HIV infections among the staff students and other project implementers, Increase of unethical service providers, Failure to comply with established rules and regulations, Poor Identification of corruption Issues, Inadequate record keeping of Account, Reports and Auditing,
- Negative consequences and potential opportunities of the principal risks and uncertainties
- The highlighted key risks may result into negative consequences and potential opportunities
- Negative consequences may include
- Increased HIV infections, failure to receive proper treatment at the right time, inefficiency in performance, increase in operational expenses, loss of project revenue, and unsatisfactory service delivery.

2.5 PROCUREMENT PERFORMANCE

HEET Project Procurement Plan was implemented in compliance with the Public Procurement Act (PPA) CAP 410 and its subsequent Regulations. Throughout the implementation, the Legislation (PPA CAP 410) provided guidance on the entire procurement cycle along with the World Bank Procurement Regulations [4th Editions, 2020]. In the event that provisions conflicted with each other, the World Bank Procurement Regulations prevailed as stipulated in Regulation 11(3) of the Public Procurement Regulations (2013) as amended in 2016. The Project Procurement Plan was prepared to cover a period of 18 Months as the minimum time stipulated in the World Bank Procurement Regulations.

Procurement plan for 2022/23 consisted of Six activities; five of these are under implementation where some of them have been successfully implemented while others are in the bid submission, and in the final stage of contract award. One activity is in the contract management stage. The implemented activities are as follows;

Goods

Acquisition of PIU equipment and furniture and the Procurement of Two Motor Vehicles for project coordination and outreach activities.

Consultancy

Hiring of a Consultant for Design, Design Review, and Supervision of the construction at MJNUAT Butiama Campus, Consultancy for Environmental social impact assessment (ESIA) and Consultancy for Provision of design, design review, master plan and construction supervision of Tabora Campus

Works

Procurement of a Contractor for the construction MJNUAT Main Butiama, Campus

Challenges

In the implementation of our Procurement Plan the most challenges which we face was non-responsive of bidder on Invitation of bid and non-responsive of bid with SPD which cause delays in one among the activity i.e Procurement of Motor vehicles for Project coordination and outreach activities.

2.6 BUDGET PERFORMANCE

Table 5: HEET project budget amount with actual

Detail	Five-year budget in TZS (2022-2026)	One year budget 2022 in TZS- (A)	Amount received/spent- in TZS (B)	Variance in TZS (A-B)	Percentage (%)
Receipt	103,685,000,000	45,215,386,339	17,370,344,949	27,845,041,390	61.58
Payments	103,685,000,000	45,215,386,339	1,067,835,546	44,147,550,793	97.64
Balance	0	0	16,302,509,403	(16,302,509,403)	

Source: Project document and annual budget

Annual budget for the project was TZS 45,215,386,339, amount received was TZS 17,370,344,949 and amount not received was TZS 27,845,041,390 which is equivalent to 62 percent of the annual budget. The fund received was below annual budget due to the conditions imposed by the fund, whereby the implementing entity is supposed to spend the entire released fund before requesting for the next release. The funds that were not utilized during the year were allocated for construction of main campus and Tabora campus and acquisition of motor vehicles which are waiting for completion of procurement processes.

During the period, MJNUAT spent a total of TZS 1,067,835,546 out of TZS 17,370,344,949 received, which is equivalent to 6 percent. This was because 94 percent of the funds that were not utilized during the year were allocated for construction activities of main campus and Tabora campus and acquisition of motor vehicles which are waiting for completion of procurement processes.

2.7 PEOPLE WITH SPECIAL NEEDS AND GENDER BALANCE

Currently, 4% of all MJNUAT staff are people with special needs. MJNUAT is committed to an equal employer. Any qualified individuals are given equal opportunity for employment regardless of their individual differences. However, when a person with special needs scores the same with a person without any special needs in the interview, MJNUAT has made a commitment to offer that particular position to a person with disability. Training has been conducted equally and promotion follows the same criteria for all. MJNUAT under HEET project continues with the process of developing gender policy which is expected to be completed in September 2023. Also, providing gender awareness to stakeholders on issues related to gender, including all forms of gender-based violence (abuse/harassment and stigmatizing of people within the community). Also, to ensure all newly infrastructures to be constructed at MJNUAT under this project, their designs are conducive to support female students and people with special needs

2.8 IMPLEMENTATION CHALLENGES AND THE WAY FORWARDS

- Staff mobility; mobility of staff trained using HEET fund which will impact the project and sustainability of programmes developed under this project
- Cost increase in relation to estimated budget especially in construction and leaning resources due to unstable market prices in the last three years
- Insufficiency of academic staff to be trained at postgraduate level
- inadequacy in quantity and staff capacity in some areas

The way forwards plans in responding to the critical challenges

- To develop and operationalize effective incentive scheme
- Effective enforcement of rules and regulation in relation to staff bond agreement
- Forecast the impact of construction and equipment cost increase, and review the scope of the project
- Timely implementation of the planned activities
- Continue to recruit/transfer academic staff to ensure we have academic staff to be trained and operationalize academic programmes
- Continue to recruit/transfer and develop the capacity of staff in some key areas of project implementation
- Continue to corporate with other institutions in the implementation of project at MJNUAT

2.9 RELATIONSHIP WITH STAKEHOLDERS

The university has mechanisms pertaining to; stakeholders' engagement, communication and complaints redress. These mechanisms will continue to be operationalized during the entire lifespan of the project. This is important to make sure that stakeholders own the project and have up to date information on the implementation of the project. Also specific stakeholders' engagement could be executed depending on the need at that particular time.

2.10 FUTURE OUTLOOK AND PLANS OF THE PROJECT

Table 6: Future outlook and plan

Focal Area	Activities To Be Performed
Area 1: Construction or rehabilitation of infrastructure-MAIN CAMPUS	<ul style="list-style-type: none">• To secure clearance of Consultant and Contractors contracts from Attorney General by 25 September 2023 and 10th October, 2023 respectively• Sign Contracts by 29 September and 16 October 2023• Start construction of the main campus by 23 October 2023

Focal Area	Activities To Be Performed
Area 1A: Construction or rehabilitation of infrastructure- Tabora CAMPUS	<ul style="list-style-type: none"> Secure consultants for ESIA, Masterplan and design review by 29 September, 2023 and 3 November 2023 respectively Secure contractor by May, 2024 Start construction by June, 2024
Area 1B: Upgrading Learning Resources and Equipment	<ul style="list-style-type: none"> Delivery of two motor vehicles by December, 2023 To start procurement process of laboratories and workshop equipment by March, 2024; and signing of contract with suppliers by May, 2024
Area 2: Updating curriculum and introducing innovative pedagogical methodologies	<ul style="list-style-type: none"> Digitization of needs assessment tool by 5 October 2023 Conducting needs assessment survey by 15 November 2023 Benchmarking by end of January 2024 Developing new curricular by January, 2024 Completion of endorsement and accreditation process by April, 2024
Area 4: Building functional linkages with private sector/industry	<ul style="list-style-type: none"> Development of guidelines for staff and student industrial placement by 10th October, 2023 Establishing 10 MoU by June 2024 Organizing second meeting of IAC for reviewing and endorsing the proposed curriculum in January, 2024 Development of organization structure for industrial liaison office by February, 2024
Area 5: Strengthening the use of digital technology	<ul style="list-style-type: none"> Development of University website and Developing Online Learning Platforms and digital technology Application by October, 2023 Purchasing of 2 Servers to host student application system and other ICT facilities by November, 2023. Customize student records management system by 15 November 2023 Improving internet connectivity Developing online training (MOODLE) capacity. Operationalize of E- Office management system by October, 2023
Area 7: Building capacity of academic staff and university leadership	<ul style="list-style-type: none"> 9 Staff to be granted study leave for MSc studies by June 2024 10 Staff to be granted study leave for PhD by June 2024 100 staff to attend short-term training by June 2024 Hiring of one (1) staff on contractual basis for 2 years 10 Stakeholders Engagement to be conducted in Tabora by October, 2023 Monitoring and Evaluations of the project implementation Conduct Internal audits on quarterly basis Finalize Gender policy Occupational health and safety management plan by October 2023

Source: Project document

Future Improvement

- User departments to provide proper specifications considering technological advancement and availability in the market. Prepared specifications be endorsed by expert in the area

- The procurement focal person to provide the updated standard procurement format to user departments as provided by the World Bank
- Appoint efficient evaluation team and ensure the deadline for the submission of evaluation report are met
- PMU and evaluation team to ensure that due diligence of the recommended bidders is conducted
- Ensure that funding of activities in the months of July and August, during the budget preparations and uploading period, is smoothly carried out.

2.11 SOLVENCY AND LIQUIDITY

The MJNUAT HEET project state of affairs as at 30 June 2023 is set out on the financial statements. Those Charge with Governance believe that the going concern status of the project largely depends on the continued financial support from the Ministry of Education as per the HEET project funding plan. Accordingly, the Those Charge with Governance confirms that applicable International Public Sector Accounting Standards have been followed in the preparation of financial statements and that the financial statements have been prepared on a going concern basis.

2.12 RELATED PARTY TRANSACTIONS

The fact that there were no related party transactions during the year under review or otherwise. The entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the entity, or vice versa. Payments to Members of key management are paid in accordance with the Government Standing Orders and the approved project allowable cost.

2.13 COMPLIANCE

The report by those charged with governance has been prepared in full compliance with requirements of the Tanzania Financial Reporting Standards (TFRS) No. 1. Furthermore, the Directors are not aware of any significant non-compliance with laws and regulations for the year under review.

2.14 ACCOUNTING POLICIES

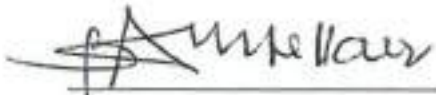
Accounting policies to the financial statements were consistently applied during the year under review.

2.15 AUDITORS

The Controller and Auditor-General (CAG) is the statutory auditor for the HEET Project implemented by MJNUAT pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977, Section 9 - 12 of the Public Audit Act, Cap 418 [R.E 2021], Finances Act, 1982 (revised 2000) and Public Finance Act CAP 348 R.E 2020.

2.16 APPROVAL

The financial statements will be submitted to the Controller and Auditor General (CAG) on or before 30 August 2023 and will be approved and authorized for issuance after being tabled on and discussed by the Parliament on or by 31 March 2024



Prof. Lesakit S. Mellau
Vice Chancellor

30.12.2023

Date



Prof. Msafiri M. Jackson
Project Coordinator

30.12.2023

Date



3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

Section 45 of the Universities Act No.6, 2005 and Section 30(4) of the Public Finance Act Cap 348 requires Members of the Council to prepare Financial Statements for each financial year, which give a true and fair view of state of affairs of the MJNUAT. These financial statements include statement of financial performance, statement of financial position, cash flow statement, statement of changes in net assets, statement of comparison of budget against actual amount and notes to the financial statements. It also requires the council to ensure that MJNUAT keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Reporting Entity as at the end of the financial year. The Council of MJNUAT is responsible for safeguarding the assets of the Reporting Entity. Further, the Council accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of financial and internal control.

The Council is of the opinion that the financial statements give a true and fair view of the state of affairs of the MJNUAT. The Council is responsible for safeguarding the assets of the reporting entity and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities. The Council accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the accrual basis of International Public-Sector Accounting Standard (IPSAS), in the manner required by the Section 30 of the public Finance Act CAP 348 and University Act No. 6 of 2005.

The Council is taking all responsibilities by building confidence to users of these Financial Statements that they give the true and fair view of the state of affairs of the Mwalimu Julius K. Nyerere University of Agriculture and Technology (MJNUAT).



Prof. Lesakit S. Mellau
Vice Chancellor

30.12.2023
Date



Prof. Msafiri M. Jackson
Project Coordinator

30.12.2023
Date

4.0 STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2023

Pursuant to Section 30(4) of the Public Finance Act, [Cap 348 R.E 2020], the Management is required to prepare financial statements for each financial year, which give a true and fair view of receipts and payments of the reporting entity as at the end of the respective financial year. It also requires Management to keep proper accounting records, which disclose with reasonable accuracy at any time the financial position of the HEET. The Management is also responsible for safeguarding the assets of the entity.

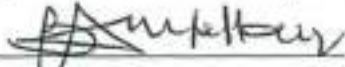
The Project Management accepts responsibility for annual financial statements for the year ended 30 June 2023 which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards Accrual Basis (IPSAS - Accrual) and the manner required by Section 30(4) of the Public Finance Act, [Cap 348 R.E 2020].

The Project Management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Project. Further, the management accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control. Management is responsible for safeguarding the assets of the Project and hence for taking reasonable steps for the prevention and detection of frauds, errors and irregularities. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

To the best of the Management's knowledge, the system of internal control has operated adequately throughout the reporting period and the records and underlying accounts provide a reasonable basis for the preparation of the financial statements for the financial year 2022/23. The Management accepts responsibility for the integrity of the financial statement, the information it contains and its compliance with the Public Finance Act, [Cap 348 R.E 2020].

Procurement of goods, works, consultancy, and non-consultancy services to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act, 2011 Revised 2016 and Public Procurement Regulations, 2013 Revised 2016.

At the time of preparing this report, no evidence came to the attention of the Project Management to signify that the Project will cease its operations; therefore, the HEET Project expects to continue in operation as a going concern from the date of this statement.


Prof. Lesakit S. Mellau
Vice Chancellor

Date 30.12.2023

30.12.2023

Controller and Auditor General



5.0 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 responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Governing Body/Management 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 Governing Body as under Councils' responsibility statement on an earlier page.

I, CPA Kelvine Hashimu Hinju for the Director of Finance MJNUAT hereby acknowledge my responsibility of ensuring that HEET project 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 of MJNUAT as on that date and that they have been prepared based on properly maintained financial records.

Signature: 

ACPA Kelvine Hashimu Hinju

Position: For Director of Finance

NBAA Membership No ACPA 4877

Date: 30.12.2023

6.0 FINANCIAL STATEMENTS

6.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 TZS	2022 TZS
ASSETS			
Current Asset			
Cash and Cash Equivalents	32	16,467,471,603	17,370,344,949
Total Current Asset		16,467,471,603	17,370,344,949
Non-Current Asset			
Work in Progress	55	30,000,000	-
Total Non-Current Asset		30,000,000	-
TOTAL ASSETS		16,497,471,603	17,370,344,949
LIABILITIES			
Current Liabilities			
Payables and Accruals	39	30,000,000	-
Total Current Liabilities		30,000,000	-
Non-Current Liabilities			
Deferred Income (Capital)	46B	16,467,471,603	17,370,344,949
Total Non-Current Liabilities		16,467,471,603	17,370,344,949
TOTAL LIABILITIES		16,497,471,603	17,370,344,949
NET ASSETS		-	-

NET ASSETS/EQUITY

Capital Contributed by:

Accumulated Surpluses / Deficits

TOTAL NET ASSETS/EQUITY

[Signature]

Prof. Lesakit S. Mellau

Vice Chancellor

30.12.2023

Date

[Signature]

Prof. Msafiri M. Jackson

Project Coordinator

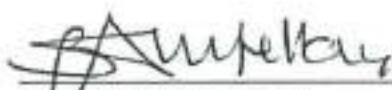
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Date



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

	Note	2023	2022
REVENUE		TZS	TZS
Revenue			
Amortization of Revenue Grants with Exchequer Revenue	16	<u>1,067,835,546</u>	<u>-</u>
TOTAL REVENUE		<u>1,067,835,546</u>	<u>-</u>
EXPENSES AND TRANSFERS			
Expenses			
Maintenance Expenses	25	36,657,839	-
Use of Goods and Service	24	<u>1,031,177,707</u>	<u>-</u>
TOTAL EXPENSES AND TRANSFERS		<u>1,067,835,546</u>	<u>-</u>
Surplus / Deficit		<u>-</u>	<u>-</u>


 Prof. Lesakit S. Mellau
 Vice Chancellor

30.12.2023
 Date


 Prof. Msafiri M. Jackson
 Project Coordinator

30.12.2023
 Date



6.3 CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 TZS	2022 TZS
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Funds Received			
Total Receipts		= 17,370,344,949	
PAYMENTS			
Use of Goods and Service		1,031,177,707	-
Maintenance Expenses		36,657,839	-
Total Payments		1,067,835,546	-
NET CASH FLOW FROM OPERATING ACTIVITIES		(1,067,835,546)	17,370,344,949
CASH FLOW FROM INVESTING ACTIVITIES			
Net Increase		-	-
Effect of Foreign Currency Changes	32 (i)	(1,067,835,546)	17,370,344,949
Period adjustment		164,963,200	-
		(1,000)	-
Cash and cash equivalent at beginning of period		17,370,344,949	-
Cash and cash equivalent at end of period	32	16,467,471,603	17,370,344,949

[Signature]

Prof. Lesakit S. Mellau
Vice Chancellor

30.12.2023
Date



[Signature]

Prof. Msafiri M. Jackson
Project Coordinator


30.12.2023
Date

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

Details	Accumulated Surplus/ Deficit	Total
	TZS	TZS
Opening Balance as at 01 July 2022		
Additional Capital Injected		
Surplus/ Deficit for the year		
Closing Balance as at 30 June 2023	-	-
Opening Balance as at 01 July 2021		
Addition for the year		
Surplus/ Deficit for the year		
Closing Balance as at 30 June 2022	-	-

6.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2023

Budgeted Amount		Final Budget		Actual Amount on Comparison Basis		Different Budget & Actual		Comments
Original Budget	Reallocations/ Adjustments	(A)	(B)	(A-B)	(B)	(A-B)	(B)	
TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	
RECEIPTS								
Funds Received								
Other Revenue (Exchange Rate Gain)								
45,215,386,339		45,215,386,339				45,215,386,339		I
Total Receipts								
45,215,386,339		45,215,386,339				45,215,386,339		
PAYMENTS								
Maintenance Expenses								
573,300,550		573,300,550						
Use of Goods and Service								
7,942,733,250		7,942,733,250						
Acquisition of Property, Plant and Equipment								
36,699,352,540		36,699,352,540						
Total Payment								
45,215,386,339		45,215,386,339				44,147,550,793		II III IV
Net Receipts/Payments						1,067,835,546		
						(1,067,835,546)		


 Prof. Lesakit S. Mellau
 Vice Chancellor
30.12.2023
 Date

Prof. Msafiri M. Jackson

Project Coordinator

30.12.2023
 Date



Comments on the significant variances on the final budget and Actual

- (i) The funds were not received during the financial year due to delay in HEET Project implementation which was caused by procurement and World Bank procedures
- (ii) -(iv)The variance is caused by delays; in procurement of HEET Project Motor Vehicle, to obtain contractors for construction, most of contractors have been contracted in November 2023 of which this fund was budgeted for.

RECONCILIATION OF BUDGET VS ACTUAL

Reconciliation between the actual amounts on a comparable basis as presented in the Statement of Comparison of Budget and Actual Amounts in the Cash Flows Statement for the year ended 30 June 2023 is presented below. The Financial Statements are prepared on accrual basis while the Statement of Comparison of Budget and Actual and Cash Flow Statement are prepared on Cash basis. The differences between the two Statements are the other payments made through the Deposits Account, which are not recognized in the Statement of Financial Performance.

Description	Operating (TZS)	Financing (TZS)	Investing (TZS)	Total (TZS)
Actual amount on comparable basis as presented in the Budget and Actual Comparative in the Statement	1,067,835,546	-	0.00	1,067,835,546
Basis differences	-	-	-	-
Timing Differences	-	-	-	-
Entity Differences	-	-	-	-
Actual Amount in the Statement of Cash flow	1,067,835,546	-	0.00	1,067,835,546

6.6 SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURE

6.6.1 GENERAL INFORMATION

The Mwalimu Julius K. Nyerere University of Agriculture and Technology (MJNUAT) is a higher learning public institution under the Ministry of Education Science and Technology. It was issued with provisional registration certificate in 2012 under the Universities' Act, cap 346 of 2005. The university became operational in March 2015. The University is located about 3 km from Butiama township on the road from Musoma to Arusha.

6.6.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The Presented financial statements relate to Higher Education Economic Transformation Project implemented by Mwalimu Julius K. Nyerere University of Agriculture and Technology. The project was established under the agreement signed in August 2022, as such it is not a separate entity. Therefore, the responsibility on preparation of the financial statements rests with MJNUAT management under entrusted Project's coordination team. The Financial Statements of MJNUAT-HEET Project have been prepared in accordance with International Public Sector Accounting Standards (IPSAS accrual basis). The financial statements have been prepared on the basis of historic cost. The project's financial statements prepared cover the period of twelve months (12) from 01 July 2022 to 30 June 2023 and this is the first year of preparing the project financial statements.

Key Judgements and Sources of Estimation Uncertainty

As per IPSAS 3, state criteria for selecting and changing policies, change in accounting estimates and correction of errors. There were no changes in accounting policies during the year. The accounting policies which were used during the year were consistent with those of the period that ended 30 June 2023.

Compliance with Financier Policy and Guidelines

During the year under review the project complied with financier disbursement guidelines, procurement guidelines and grant agreement specific and general terms. The project received no objection to pursue its various objectives stipulated in annual work plan and budget.

Changes in Accounting Policies and Estimates

The accounting policies for presentation of project financial statements have been adopted from the International Accounting Standards (IPSAS). The adopted accounting policies are consistent with those of the MJNUAT and have been applied throughout the reporting period. There were no changes in accounting policies or estimates during the financial year.

Adoption of new and Revised Standards

There are two (2) new Standards issued by the International Public Sector Accounting Standards Board (IPSASB) but were not yet effective up to the date of issuance of the project's financial statements. The new Standards are:

(a) IPSAS 41 - Financial Instruments, which is effective on or after 1 January 2023 due to COVID 19. This Standard replaces IPSAS 29 and it sets out requirements for recognition and measurement of financial instruments, including impairment, de-recognition and general hedge accounting; and

(b) IPSAS 42 - Social Benefits, which is effective on or after 1 January 2023. This Standard will help users of the financial statements to assess the nature of social benefits provided by the Commission, the features of the operation of social benefit schemes and the impact of social benefits on the Commission's financial performance, financial position and cash flows.

Revenue recognition

MJNUAT revenue emanates from both Exchange Transaction and Revenue from Non-Exchange Transaction.

Revenue from non-exchange transactions

Revenue from non-exchange transaction occurs when the University receives value from another entity without direct giving approximately equal value in exchange. MJNUAT through HEET Project received funds (a credit from World) for the University development. The funds are recognized as deferred income and later as income when expenditure is made through amortization.

Other income,

Other income is recognized in the accounting period in which it is accrues and or realized, other income may include interest from banks, gain from fluctuations of foreign

currencies.

Expenditure incurred for Institutional infrastructure and rehabilitation

There was no capital expenditure incurred for infrastructure and rehabilitation activities in the financial 2022/23.

Major Renovations

Major renovation is depreciated over remaining useful life of the related asset or to the date of next renovation, whichever sooner.

Cash and Cash Equivalent

Cash and cash equivalents are carried in the balance sheet at face value. For the purpose of cash flow statements cash and cash equivalents, comprise cash in hand, cash at bank and fixed deposits. During the financial year ended 30 June 2023, cash and cash equivalent is TZS 16,467,471,603.

Deferred Revenue

Deferred revenue, also known as unearned revenue, refers to advance payments an entity receives for project activities to be implemented in the future. An entity that receives the prepayment records the amount as deferred revenue, a liability on its balance. During the financial year ended 30 June 2023 differed revenue is TZS 16,467,471,603.

Amortization of Revenue Grant

Funds disbursed by the Government or other donor agencies to the University to assist in carrying out its functions are credited to the statement of comprehensive income. MJNUAT through HEET Project received funds for the University development. The funds are recognized as deferred income and later as income when expenditure is made through amortization. During the financial year ended 30 June 2023, the revenue grant amortized is TZS 1,067,835,546.

Translation of foreign currencies

Functional and Presentation Currency in the financial statements are presented in Tanzania Shillings, which is the University's functional and presentation currency. Foreign currency transactions are translated into Tanzanian shillings at the rates of exchange ruling at the dates of the respective transactions. Monetary assets and liabilities at the year-end expressed in foreign currencies are translated into Tanzanian shillings at the rates of exchange ruling at the end of the financial year. The resultant gains or losses on exchange rate translations are dealt with in the statement of comprehensive income.

Segment reporting

HEET-project has distinctive activities from the MJNUAT for which it is appropriate to separately report the financial information to evaluate past performance in achieving its objectives and in making decisions about future allocation of resources. The Council and management are responsible for allocating resources and assessing performance of the project and makes strategic decisions.

6.6.3 RISK MANAGEMENT

(a) Operational Risk

Operational risk is the risk of loss both financial and non-financial resulting from inadequate systems, management failures, ineffective internal control processes, fraud, theft, and human errors. The project addresses this risk inter alia through ensuring existence of a sound internal control system. Managing operational risk in the project is an integral part of the day to day operations by the management. This risk is closely monitored by management and the Governing Council.

(b) Foreign Currency Risk

HEET project fund is maintained in MJNUAT HEET Project USD account in order to overcome foreign currency risk as USD is strong currency.

(c) Social and Environmental Risks

Eighty-Two percent of the HEET Project funds has been allocated for construction and a large number of labour force will be recruited. These activities could lead to environmental and social risks: Environmental risks may include loss of biodiversity, soil erosion and storm water due to excavation of the land. Also due to high movement of vehicles and the use of heavy machines, there is a probability of water, noise and dust pollution. On the social, risks could be associated with accidents, spread of diseases such as HIV/AIDS, CoVID 19, Marburg, Hepatitis B, and respiratory infections. Other risks may include gender-based violations; sexual harassment and child labour. At community level risks could be on cultural norms degradation, and security threat. Other risks could involve workers boycotting due to different reasons, which may delay implementation of the project. Besides, risks might occur due to the lack of adherence to the occupational health and safety standards, which may lead to accidents and illness. MJNUAT HEET Project will eliminate or reduce the probability of the risk's occurrence through proper implementation of the mitigation measures as explained in the ESIA Document. Also, there will be close monitoring of the performance of the mitigation measures and detection of unforeseen impacts. Similarly, MJNUAT will work closely with the consultant, contractors and workers through regular meetings and interviews so as to make sure that all parts execute their roles and responsibilities in accordance with the signed contracts. Stakeholders' engagement will continue up to the phasing out of the

project. Any realized problems will be address promptly through GRM redress mechanisms and other measures as prescribed in the ESIA documents.

(d) Political environment Risk

There is a minimum possibility for occurrence of political risks which may affect implementation of the project during the entire period of five (5) years. This is because of stable political environment and good institutional arrangements in the central government, responsible HEET project sector ministries and the university. There has been a thoroughly stakeholder's engagement at local government level which has ensured commitment and ownership of the project which will lead to risk minimization.

(e) Human resources Risk

Mobility of staff may result into risk which may hinder implementation of the project. However, we have associate focal person for most of the focal areas and we have created teams to handle various focal areas.

(f) Procurement Risk

Table 7: Procurement risk

Risk Description	Description of Mitigation
Inaccurate specifications	<ul style="list-style-type: none"> User departments together with technical personnel work together in preparations of technical specifications and Bill of Quantities Hiring of consultants and borrowing experts from other government institutions will be done. Also, where possible Early Supplier Involvement (ESI) will be done. Review of specifications by senior/competent technical personnel
Supplier and client relationship <i>Loss of competitive advantage</i>	<ul style="list-style-type: none"> Compliance with relevant policies, procedures, processes, systems and guidelines Training and ensuring the capability of those involved
Unexpected poor performance of services and works	<ul style="list-style-type: none"> Use of performance security for protection against poor performance in terms of quality standards.
Damages of goods on transit	<ul style="list-style-type: none"> Provide insurance bond (e.g., on-transit insurance and performance bonds)
Geographical comparative advantage/disadvantage.	<ul style="list-style-type: none"> Invite potential bidders in pre-bid meeting on the project site. Subject potential bidders to rigorous selection process. Rigorous in advertisement and marketing of the university/site

Source: Project Management report

(g) Compliance Risks

HEET project operates under government laws, regulations, project MoU and guidelines. During implementation of the project there is a possibility that staff will fail to comply with established operational rules and regulations. Non-compliance may be attributed by deliberate breach of policies, laws and regulations, ignorance of policies, laws and regulations by service providers and failure to interpret laws, policies and regulation. MJNUAT is prepared to mitigate these risks through; conducting awareness so that staff can be aware of ethics and codes of conduct, designed regular awareness creation forums on various acts, laws and regulations and conduct vetting process for University staff and providing relevant seminars to staff involved in implementation of the project.

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

	2023 TZS	2022 TZS
16 - Amortization of Revenue Grants with Exchequer Revenue		
Government Grant Development Foreign	<u>1,067,835,546</u>	-
	<u>1,067,835,546</u>	-
24 - Use of Goods and Service		
Computer Supplies and Accessories	650,000	-
Diesel	98,490,491	-
Food and Refreshments	31,130,864	-
Ground Transport (Bus, Train, Water)	35,260,767	-
Internet and Email connections	46,611,306	-
Office Consumables (papers, pencils, pens and stationaries)	20,537,358	-
Per Diem - Domestic	351,737,313	-
Training Allowances	397,595,469	-
Sundry Expenses	48,664,139	-
Cement, bricks and construction materials	<u>500,000</u>	-
	<u>1,031,177,707</u>	-
25 - Maintenance Expenses		
Motor Vehicles and Water Craft	4,388,498	-
Outsource maintenance contract services	<u>32,269,341</u>	-
	<u>36,657,839</u>	-
32 - Cash and Cash Equivalents		
Commercial Bank Balances	7,115,181	-
Development Expenditure Cash Account	<u>16,460,356,422</u>	<u>17,370,344,949</u>
	<u>16,467,471,603</u>	<u>17,370,344,949</u>

32-(i) The Foreign exchange gains arise from the translation of US dollars currency remained at year-end. As at 30 June 2023 Bank balances of USD 7,107,419.20 were translated at USD 2315.94/TZS compared to the actual amount reported in TZS Equivalent amounting to TZ 16,295,393,222. The exchange gain of TZS 164,963,200 has impacted Cash and cash equivalent and deferred income as at 30 June 2023.

39 - Payables and Accruals

Other Payable

30,000,000	-
<u>30,000,000</u>	<u>-</u>

46B - Deferred Income (Capital)

Development Deferred Income

16,467,471,603	17,370,344,949
<u>16,467,471,603</u>	<u>17,370,344,949</u>

55 -Work in Progress

Work in Progress - Intangible assets

30,000,000	-
<u>30,000,000</u>	<u>-</u>

MJNUAT entered a contract worth TZS 30,000,000 on 12 June 2023 with University of Dodoma for the provision of ICT system and service related to developing students' records management information systems. Until 30 June 2023 the development process of the system was still on progress. The contract amount of TZS 30,000,000 has been recognized in the Financial Statements as intangible assets under Work in Progress and related payables under Note No. 39

39 - Payables and Accruals

Other Payable

30,000,000	-
<u>30,000,000</u>	<u>-</u>

46B - Deferred Income (Capital)

Development Deferred Income

16,467,471,603	17,370,344,949
<u>16,467,471,603</u>	<u>17,370,344,949</u>

55 -Work in Progress

Work in Progress - Intangible assets

30,000,000	-
<u>30,000,000</u>	<u>-</u>

MJNUAT entered a contract worth TZS 30,000,000 on 12 June 2023 with University of Dodoma for the provision of ICT system and service related to developing students' records management information systems. Until 30 June 2023 the development process of the system was still on progress. The contract amount of TZS 30,000,000 has been recognized in the Financial Statements as intangible assets under Work in Progress