



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



**TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE
(TEITI)-CIDA**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2022**

**Controller and Auditor General,
National Audit Office,
Audit House,
4 Ukaguzi Road,
P.O. Box 950,
41101 Tambukareli,
Dodoma, Tanzania.
Tel: 255 (026) 2161200,
Fax: 255 (026) 2117527,
E-mail: ocag@nao.go.tz
Website: www.nao.go.tz**

December 2022

AR/CG/MOM/TEITI/2021/22

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.

Vision

A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

Mission

To provide high-quality audit services through the modernization of functions that enhances accountability and transparency in the management of public resources.

Motto: “Modernizing External Audit for Stronger Public Confidence”

Core values

In providing quality services, NAO is guided by the following Core Values:

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

We do this by:

- ✓ Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- ✓ Helping to improve the quality of public services by supporting innovation in the use of public resources;
- ✓ Providing technical advice to our clients on operational gaps in their operating systems;
- ✓ Systematically involve our clients in the audit process and audit cycles; and
- ✓ Providing audit staff with adequate working tools and facilities that promote independence.

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Abbreviations

CG	Central Government
CIDA	Canadian International Development Agency
EITI	Extractive Industries Transparency Initiative
GVT	Government
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
MoM	Ministry of Minerals
MSG	Multi-Stake holders Group
PE	Program Estimate
PPE	Property, Plant and Equipment
TEITI	Tanzania Extractive Industry Transparency Initiative
TZS	Tanzania Shillings
VAT	Value Added Tax

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chief Executive,
Tanzania Extractive Industries Transparency Initiative,
Ministry of Minerals,
Government City - Mtumba,
P.O. Box 422
DODOMA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Extractive Industries Transparency Initiative (TEITI)-CIDA, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, the statement of changes in net assets, 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 Tanzania Extractive Industries Transparency Initiative (TEITI)-CIDA as at 30 June 2022, 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 Tanzania Extractive Industries Transparency Initiative (TEITI) 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 the 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 Permanent Secretary's Statement, statement of management responsibility, and the 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 based on 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, 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 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, 2011 requires me to state in my annual audit report whether 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 Tanzania Extractive Industries Transparency Initiative (TEITI) for the financial year 2021/22 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that the procurement of goods, works and services of Tanzania Extractive Industries Transparency Initiative (TEITI) 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 Tanzania Extractive Industries Transparency Initiative (TEITI) for the financial year 2021/22 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that the Budget formulation and execution of the Tanzania Extractive Industries Transparency Initiative (TEITI) 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 2022



MINISTRY OF MINERALS

TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA

2.0 FINANCIAL STATEMENTS

STATEMENT BY PERMANENT SECRETARY FOR THE YEAR ENDED 30 JUNE, 2022

The implementation of the Extractive Industries Transparency Initiative (EITI) continued in the Sixth Phase of Government that assumed office on 19 March 2021 when H.E Samia Suluhu Hassan was sworn and became the first female president in Tanzanian history. Since taking the office, the Government campaigned an agenda of sustaining the foundations set forth by the previous Regimes aiming at promoting good governance. The key priority of the sixth phase of Government includes maintaining national values of peace, unity and solidarity which are the core values of the development of our nation; to continue with the implementation plan to improve the business environment by reviewing policies, laws and various regulations to attract private sector investment and increase employment opportunities; to improve resource mobilization, simplification of tax payments and widening the tax base; and to continue strengthening parastatal to operate profitably, pay dividends and appropriate contribution to the Government. The reforms implemented by the new Government give an impetus to the implementation of EITI in Tanzania.

The objective of TEITI is to strengthen and enhance transparency and accountability in the administration of Tanzania's extractive industries so that the exploitation of non-renewable and finite resources can stimulate growth and help to reduce poverty. TEITI objectives complement the Government's efforts to enhance governance of natural resources so that the exploitation of resources can stimulate growth and help to reduce poverty. The government is contributing to this cause by collaborating with extractive companies and civil society organizations to mainstream transparency and accountability into the Government's administration framework for extractive industries.

In the Fiscal year 2021/22, TEITI published its 12th report covering the period of 1 July 2019 to 30 June 2020. The disclosure of extractive industries payments and revenues through EITI has helped to improve revenue collection and accountability. This has resulted in creating public debates and discussions regarding the contribution of the mining, oil and gas sectors to the economy. It has also enabled citizens to have free access to information on the extractive industry, relatively more accessible than ever. Through a regular disclosure of payments and revenues to the government, TEITI builds trust and promotes stability and sustainable economic development.

However, the implementation of EITI in Tanzania is hindered by a lack of awareness of TEITI activities among the public caused by a large coverage area and significant gaps in terms of knowledge and understanding of mining, oil and gas-related activities. In the next financial years, TEITI will continue to create awareness through training and workshops as well as Television and radio programmes to various stakeholders to adequately manage the expected public expectations.

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TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA

I would like to thank the extractive companies, Civil Society Organizations, development partners, media and all stakeholders for supporting TEITI to promote transparency and accountability in Tanzania's mining, oil and gas sub-sectors. TEITI remains committed to undertaking its role of string up healthy public debates on how Tanzania's natural resources are managed for benefiting the present and future generations.



.....
Adolf H. Ndunguru
Accounting Officer

30 September 2022
Date

MINISTRY OF MINERALS

TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA

STATEMENT OF MANAGEMENT RESPONSIBILITY


Management of the Tanzania Extractive Industries Transparency Initiative (TEITI) is responsible for the preparation of the annual Financial Statements, which give a true and fair view of the entity's state of affairs and its operating results in accordance with International Public Sector Accounting Standards (IPSAS) on Accrual Basis, in conformity with the provision of the Public Finance Act No. 6 of 2001 Section 25(2) & (4) (as revised in 2004). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and presentation of the financial statements that are free from material misstatement, whether on account of fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances which provide reasonable assurance that the transactions recorded are within the statutory authority, and properly record the use of all public financial resources accordingly.

To the best of our 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 year ended 30 June 2022.

Procurement of goods, works and 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 no.7 of 2011 and its Regulations 2013 as amended in 2016.

We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the Public Finance Act No. 6 of 2001 (as revised in 2004) and its Regulations; International Public Sector Accounting Standards (IPSAS) Accruals basis; and Guidelines issued or may be issued from time to time by Paymaster General and Accountant General.

In our opinion, nothing has come to the attention of the management that the financial statements doesn't present fairly all material respect of the operations of the entity and will not remain a going concern for the next twelve months from the date of these statements.


.....
Adolf H. Ndunguru
Accounting Officer

30 September 2022
Date

MINISTRY OF MINERALS
TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA

DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS

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/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the 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 Board of Directors/Governing Body as under Directors Responsibility statement on an earlier page.

I, Anthony G. Tarimo being the Head of Finance/Accounting of Ministry of Minerals (Vote 100) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June, 2022 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 Tanzania Extractive Industries Transparency Initiative (TEITI) -CIDA and Government Accounts as on that date and that they have been prepared based on properly maintained financial records.

Signed by



Position : Chief Accountant

NBAA Membership No : GA 1327

Date : 30 September 2022

MINISTRY OF MINERALS
TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA

COMMENTARY TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022

1. Introduction

This part of the report describes comprehensively the information in regard to the financial results pertaining to the financial year 2021/22 for the Tanzania Extractive Industries Transparency Initiatives (TEITI). It provides overall picture of information on the financial and physical performance for the financial year 2021/22 in comparison with previous year (2020/21) as per IPSAS' requirements. There were some previous year's figures that have been restated.

2. Overview of Financial Statements

2.1 Revenue

2.1.1. Approved Estimate

During the year 2021/22, TEITI's approved recurrent expenditure budget was TZS 443,415,543 the same amount when compared to the approved recurrent budget of the prior year 2020/21.

2.1.2 Fund Received

During the financial year 2021/22, TEITI received recurrent fund TZS 410,159,377.00 issued by the Government being a decrease of 7.5% compared to the prior year 2020/21 TZS 449,517,143.00 was received.

2.2. Expenditure

The TEITI incurred various expenses in the financial year ended 30 June 2022. The expenditure was mainly charged in executing its activities as per the following categories;

2.2.1 Wages, salaries, and employee benefits

During the year 2021/22 Wages, salaries and employee benefits was TZS 185,560,000.00 being an increase of 61.27 percent when compared to TZS 115,054,800.00 of the financial year 2020/21 as detailed in NOTE 22.

2.2.2 Use of Goods and Services

During the year 2021/22 Supplies and consumables were TZS 528,334,246.00 being an increase of 42 percent when compared to TZS 371,087,401.00 of the financial year 2020/21 as detailed in NOTE 24. In the figure of Use of goods and Services 2021/22 included non-monetary expenditure TZS 319,346,874 and imprest retirement TZS 10,270,000 that make difference from the figure of Use of goods and services in the cash flow statement.

2.2.3 Maintenance expenses

The TEITI incurred a total of TZS 6,993,577.00 in maintenance expenses during the year ended 30 June 2022 being an increase of 251 percent when compared to TZS 1,850,000.00 of the financial year 2020/21 as detailed in NOTE 25. In the figure of

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TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA maintenance expenses 2021/22 included TZS 500,000 being retirement imprest that make difference in the figure of maintenance expenses presented in the cash flow.

2.3 Receivables

During the year 2021/22 there was no receivables compared to TZS 10,770,000.00 of the year 2020/21. This amount has been recognized in the books of accounts as detailed in NOTE 33.

2.4 Cash and Cash Equivalents

During the year 2021/22 Cash and Cash Equivalents was TZS 14,867,375.00 while the cash and cash equivalent for the prior year was TZS 20,266,832.64 a decrease of 26.64%. The analysis of which is detailed in Note 32. Cash and Cash equivalents is the cash at the BOT at the end of the financial year 2021/22.

2.5 Accounts Payables

During the year 2021/22 there were no account payables compared to the year 2020/21 the account payable was TZS 5,998,788.00 as shown in Note 39

2.6 Property, Plant and Equipment (PPE)

Plant, Property and Equipment during the year ended 30 June, 2022 amounting to TZS 86,789,918.94 being an increase of 49.5% when compared to TZS 58,056,001.44 of year 2020/21 as detailed in the schedule of PPE.

2.7 Contingent liabilities

There were no contingent liabilities arose from legal claims against TEITI for the year ending 30 June 2021.

2.8 Comparative figure

Financial statements of TEITI have been prepared by using International Public Sector Accounting Standards (IPSAS), whereby previous year's financial statements are compared with current year's statements to determine the financial trends of the institution.

2.9 Other Expenses

The TEITI incurred a total of TZS 14,266,630.00 in other expenses during the year ended 30th June, 2022 being a decrease of 94 percent when compared to TZS. 109,897,100.00 of the financial year 2020/21 as detailed in NOTE 28. In the prior year components in NOTE 28 were presented in NOTE 24 (Use of goods and services).

3.0 Review of Asset Useful Life

As required by IPSAS 17, TEITI has reviewed the value of its assets by changing the estimated useful life basing on the conditions of a particular assets as guided by circular No.2 of 2021/22 for Government Assets Management Information System (GAMIS) to as to avoid having assets in operation that have zero carrying value.

3.1 Prior Year Adjustment

Reinstatement made to comparative figures for the previous year 2020/21 as per requirement of para 55 of IPSAS 1. Adjustment has been made to correct the treatment of the receivable and deferred income figure .The management of TEITI received an

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TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA

approval of Development fund TZS 850,000,000 on 20 June 2020. The fund was treated as receivable incorrectly because TEITI was no longer expected to receive the fund to its books of account as the Ministry of Minerals sent the fund to Ministry's Deposit Account where TEITI Operate its activities thereon.

During the year 2020/21 the amount of TZS 142,419,200.00 was spent and recorded in the Cash flow statement as received and spent incorrectly.

Table: Restatements

No.	Description	Original amount	Restated Amount	Difference	Reasons	Set of Financial Statement
1	Receivable	718,350,800	10,770,000	707,580,800	The fund was incorrectly treated as receivable	Financial Position
2	Deferred Income Capital	707,580,800	0	707,580,800	The fund was incorrectly treated as deferred income	Financial Position
3	Funds received	591,936,343	449,517,143	142,419,200	The amount was spent for TEITI activities but was not received in the books of TEITI. The amount was paid in the books of MOM	Cash Flow Statement
4	Use of goods and services	491,254,501	238,938,201	252,316,300	Non cash expenditure (Consultancy service) TZS 142,419,200 and Other expenses items of TZS 109,897,100 was inappropriately classified as supplies and consumables.	Cash Flow Statement
5	Property, Plant and Equipment	47,138,641	58,056,001	10,917,360	Changing the estimated useful life basing on the conditions of a particular Assets as elaborated in Circular No.2 of 2021/22 for Government Assets Management Information System (GAMIS)	Financial Position
6	Accumulated Surplus/Deficit	41,139,853	52,057,213	10,917,360	Changing the estimated useful life basing on the conditions of a particular Assets as elaborated in Circular No.2 of 2021/22 for	Financial Position and Statement of Changes in Net Assets

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TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA

No.	Description	Original amount	Restated Amount	Difference	Reasons	Set of Financial Statement
					Government Assets Management Information System (GAMIS)	
7	Supplies and Consumables Used	480,984,501	371,087,401	109,897,100	The item was inappropriately classified as supplies and consumables instead of other expenses	Statement of Financial Performance and Cash Flow Statement
8	Other Expenses	0	109,897,199	109,897,199	The item was inappropriately presented as supplies and consumables instead of other expenses	Statement of Financial Performance and Cash Flow Statement

M. Mwanza
Executive Secretary

30/04/2022
Date

MINISTRY OF MINERALS

TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022 TZS	2021 TZS Restated
ASSETS			
Current Asset			
Cash and Cash Equivalents	32	14,867,374.96	20,266,832.64
Receivables	33	0.00	10,770,000.00
Total Current Asset		14,867,374.96	31,036,832.64
Non-Current Asset			
Property, Plant and Equipment	51	86,789,919.14	58,056,001.34
Total Non-Current Asset		86,789,919.14	58,056,001.34
TOTAL ASSETS		101,657,294.10	89,092,834.98
LIABILITIES			
Current Liabilities			
Deferred Income (Revenue)	46	14,867,374.96	31,036,832.64
Payables and Accruals	39	0.00	5,998,788.00
Total Current Liabilities		14,867,374.96	37,035,620.64
Non-Current Liabilities			
Deferred Income (Capital)	46B	0.00	0.00
Total Non-Current Liabilities		0.00	0.00
TOTAL LIABILITIES		14,867,374.96	37,035,620.64
Net Assets		86,789,919.14	52,057,213.34
NET ASSETS			
Accumulated Surpluses / Deficits		86,789,919.14	52,057,213.34
TOTAL NET ASSETS		86,789,919.14	52,057,213.34



Executive Secretary

30/09/2022

Date

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TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 TZS	2021 TZS Restated
REVENUE			
Amortization of Revenue			
Grants with Exchequer Revenue	16	782,695,709.94	610,917,301.00
TOTAL REVENUE		782,695,709.94	610,917,301.00
EXPENSES			
Depreciation of Property, Plant and Equipment	51A	12,808,551.20	48,862,044.66
Maintenance Expenses	25	6,993,577.00	1,850,000.00
Use of Goods and Services	24	528,334,246.94	371,087,401.00
Other Expenses	28	14,266,630.00	109,897,100.00
Wages, Salaries and Employee Benefits	22	185,560,000.00	115,054,800.00
TOTAL EXPENSES		747,963,003.14	646,751,345.66
Deficit for the period		34,732,706.00	(35,834,044.66)



Executive Secretary

30/09/2022

Date

MINISTRY OF MINERALS

TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	2022 TZS	2021 TZS
CASH FLOW FROM OPERATING ACTIVITIES		
RECEIPTS		Restated
Funds Received	410,159,377.00	449,517,143.00
Total Receipts	410,159,377.00	449,517,143.00
PAYMENTS		
Wages, Salaries and Employee Benefits	191,558,788.00	115,054,800.00
Use of Goods and Services	198,717,372.00	238,938,201.00
Other Expenses	14,266,630.00	109,897,100.00
Maintenance Expenses	6,493,577.00	2,350,000.00
Total Payments	411,036,367.00	466,240,101.00
NET CASH FLOW FROM OPERATING ACTIVITIES	(876,990.00)	(16,722,958.00)
CASH FLOW FROM INVESTING ACTIVITIES		
Investing Activities		
Acquisition of Property, Plant and Equipment	4,522,468.00	13,028,000.00
Total Investing Activities	4,522,468.00	13,028,000.00
NET CASH FLOW FROM INVESTING ACTIVITIES	(4,522,468.00)	(13,028,000.00)
CASH FLOW FROM FINANCING ACTIVITIES		
Financing Activities		
Total Financing Activities	0.00	0.00
NET CASH FLOW FROM FINANCING ACTIVITIES	0.00	0.00
Net Decrease	(5,399,458.00)	(29,750,958.00)
Cash and Cash Equivalent at beginning of period	20,266,832.64	50,017,790.64
Cash and Cash Equivalent at end of period	14,867,375.36	20,266,832.64


Executive Secretary


Date

MINISTRY OF MINERALS
TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	TZS	TZS
	Accumulated Surplus/(Deficit)	Total
Opening Balance as at 01 July 2021	52,057,213.34	52,057,213.34
Surplus for the Year	34,732,706.00	34,732,706.00
Closing Balance as at 30 June 2022	86,789,919.34	86,789,919.34
Opening Balance as at 01 July 2020	76,973,898.00	76,973,898.00
Adjustment	10,917,360.00	10,917,360.00
Deficit for the Year	(35,834,044.66)	(35,834,044.66)
Closing Balance as at 30 June 2021	52,057,213.34	52,057,213.34



Executive Secretary

30/09/2022

Date

**MINISTRY OF MINERALS
TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2022

Budget approved on the Cash Basis (Classification of Payments by Nature)

	ORIGINAL BUDGET	REALLOCATION /ADJUSTMENT	FINAL BUDGET (B)	ACTUAL AMOUNT ON COMPARISON BASIS (A)	DIFFERENT FINAL BUDGET AND ACTUAL (B-A)	REMARKS
RECEIPTS						
	TZS	TZS	TZS	TZS	TZS	
Funds Received	443,415,543.00	20,266,833.00	463,682,376.00	410,159,377.00	53,522,998.00	
Total Receipts	443,415,543.00	20,266,833.00	463,682,376.00	410,159,377.00	53,522,998.00	
PAYMENTS						
Maintenance Expenses	5,843,577.00	3,000,000.00	8,843,577.00	6,493,577.00	2,350,000.00	N/A
Use of Goods and Services	312,489,195.85	(71,604,325.15)	240,497,151.00	198,717,372.00	41,779,779.00	The variance is due to the Under release of recurrent funds as compared to approve budget.
Other Expenses	14,072,770.15	193,859.85	14,266,630	14,266,630.00	0.00	
Wages, Salaries and Employee Benefits	104,110,000.00	89,498,788.00	193,608,788.00	191,558,788.00	2,050,000.00	N/A
Acquisition of Property, Plant and Equipment	6,900,000.00	(433,770.00)	6,466,230.00	4,522,468.00	1,943,762.00	N/A
Total Payment	443,415,543.00	20,266,833.00	463,682,376.00	415,558,835.00	48,123,541.00	
Net Payments	0.00	0.00	0.00	(5,399,458.00)	(5,399,458.00)	

MINISTRY OF MINERALS

TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. GENERAL INFORMATION

Tanzania Extractive Industries Transparency Initiative (TEITI) was established under the Tanzania Extractive Industries (Transparency and Accountability) Act No. 23 of 2015 for the purpose of ensuring transparency and accountability in extractive industries and to provide for other related matters.

The office is allocated at Geological Survey of Tanzania (GST) offices Kikuyu Road, Dodoma as addressed in the Table below.

<u>PRICIPAL PLACE OF BUSINESS</u> Ministry of Minerals, P.O. Box 422 DODOMA TANZANIA	<u>LAWYERS</u> Attorney General, Attorney General's Chambers P.O.Box 9050 DAR ES SALAAM TANZANIA
<u>ACCOUNTING OFFICER OF THE VOTE</u> Adolf H. Ndunguru, Permanent Secretary, Ministry of Minerals, Government City - MTUMBA, P.O. Box 422, DODOMA. Tel No: +255-26 2320051	<u>AUDITORS</u> The Controller and Auditor General, The National Audit Office, Tambukareli Street, P.O. Box 950, DODOMA, TANZANIA.
<u>BANKERS AND FINANCIAL INSTITUTIONS</u> Bank of Tanzania 18 Jakaya Kikwete Road, P.O. Box 2303, DODOMA, TANZANIA. NMB Plc, Kambarage Branch, P.O. Box 3276, DODOMA, TANZANIA.	

MINISTRY OF MINERALS

TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set below. These policies have been consistently applied to all the years presented unless otherwise stated.

a) Basis of preparation

The financial statements for this year have been prepared on **IPSAS Accrual Basis of accounting**. The financial statements comprise the following;

- (a) Statement of financial position (statement I);
- (b) Statement of financial performance (statement II);
- (c) Statement of changes in net assets (statement III);
- (d) Statement of cash flows (using the indirect method) (statement IV);
- (e) Statement of comparison of budget and actual amounts (statement V);
- (f) Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory notes.
- (g) Comparative information in respect of all amounts presented in the financial statements indicated in (a) to (e) above and, where relevant, comparative information for narrative and descriptive information presented in the notes to these financial statements.

A number of different measurement bases are employed to different degrees and in varying combinations in financial statements. They include the following:

- i) **Historical cost.** Assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.
- ii) **Current cost.** Assets are carried at the amount of cash or cash equivalents that would have to be paid if the same or an equivalent asset was acquired currently. Liabilities are carried at the undiscounted amount of cash or cash equivalents that would be required to settle the obligation currently.
- iii) **Realizable (settlement) value.** Assets are carried at the amount of cash or cash equivalents that could currently be obtained by selling the asset in an orderly disposal. Liabilities are carried at their settlement values; that is, the undiscounted amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business.
- iv) **Present value.** Assets are carried at the present discounted value of the future net cash inflows that the item is expected to generate in the normal course of business.

MINISTRY OF MINERALS

TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA

Liabilities are carried at the present discounted value of the future net cash outflows that are expected to be required to settle the liabilities in the normal course of business.

b) Comparatives

Where necessary, comparatives figures have been adjusted to conform to the changes in the current year. In particular, comparative figures have been adjusted for change in presentation to ensure compliance with International Standard.

c) Revenue Recognition

Revenue is recognized/ (recorded) when earned from Government.

d) Function and presentation currency

The reporting and presentation currency is Tanzanian shillings (TZS).

e) Property, Plant & Equipment

Depreciation is provided so as to allocate the cost of assets on a straight-line method over the expected useful lives of the concerned assets. The principal rates used for this purpose are:

Narrations	Office Equipment	Computer & Accessories	Furniture & Fittings
Depreciation Percentage %	20	25	20
Useful Life (Years)	5	4	5

Gains and Losses on disposal of assets are determined and included in the results for the year.

f) Going Concern

The accounts have been prepared on going concern basis on the assurance by the Project Management that they will continue to provide financial support for the foreseeable future.

g) Contingent Liabilities and Asset

There are no contingent Asset and liabilities during the year.

h) Date of authorization for issue

The financial statement is due for submission to the Controller and Auditor General (CAG) on or by 30 September 2022 and will be authorized for issue after being tabled on and discussed by the parliament on or by 31 March 2023.

MINISTRY OF MINERALS

TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)-CIDA

i) Related Party Transactions

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the "reporting entity").

There was no related party transaction during the period ended 30 June 2022.

j) Events after Reporting Period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

For TEITI Government Funds there were no events after reporting period for the year ending June, 2022.

k) Reporting Entity

The financial statements are set to present Vote 100 - Tanzania Extractive Industries Transparency Initiative (TEITI) under Ministry of Minerals.

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF MINERALS - 0TET0000-TEITI**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

16 - Amortization of Revenue Grants with Exchequer Revenue	2022	2021
	TZS	TZS
Capital Receipts in Kind	356,366,874	
Government Grant Development Foreign	0	29,427,328
Government Grant Development Local	0	142,419,200
Government Grant Other Charges	426,328,835	439,070,773
	782,695,709	610,917,301
 22 - Wages, Salaries and Employee Benefits		
Court Attire Allowance	0	500,000
Honoraria	135,500,000	75,400,000
Leave Travel	3,000,000	1,279,800
Medical and Dental Refunds	835,000	0
Sitting Allowance	46,225,000	37,875,000
	185,560,000	115,054,800
 24 - Use of Goods and Service		
Advertising and Publication	3,936,000	1,300,000
Air Travel Tickets	6,218,000	17,012,800
Conference Facilities	13,800,000	14,300,000
Diesel	11,060,756.00	4,292,001
Entertainment	7,800,000	8,750,000
Food and Refreshments	40,275,000.00	28,383,000
Gifts and Prizes	1,000,000	1,000,000
Ground travel (bus, railway taxi, etc)	22,876,000	28,809,475
Internet and Email connections	1,800,000	0
Newspapers and Magazines	1,200,000	900,000
Consultancy Services	195,500,000	142,419,200
Office Consumables (papers, pencils, pens and stationaries)	35,417,000	1,579,400
Per Diem - Domestic	171,306,490.00	111,641,525
Printing and Photocopy paper	3,600,000	1,320,000
Printing and Photocopying Costs	1,640,000	0
Subscription Fees	75,000	75,000
Training Allowances	3,590,000	0
Training Materials	350,000	0
Tuition Fees	6,290,000	9,305,000
Wire, Wireless, Telephone, Telex Services and Facsimile	600,000	0
	528,334,246	371,087,401

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF MINERALS - 0TET0000-TEITI**

Note:

The amount of Non-Monetary Expenditure of TZS 319,346,874 as disclosed in Note 24 above consist of the following sub line items:

Sub line Item	Amount(TZS)	
Consultancy service	195,500,000	
Conference Facilities	3,300,000	
Diesel	8,055,374	
Food and Refreshments	12,100,000	
Per Diem - Domestic	67,356,500	
Air Travel Tickets	1,818,000	
Ground travel (bus, railway taxi, etc)	3,500,000	
Office Consumables	27,717,000	
Total	319,346,874	
28- Other Expenses		
Bank Charges and Commissions	0	35,400
Directors fee	0	103,600,000
Sundry Expenses	14,266,630	6,261,700
	14,266,630	109,897,100
25 - Maintenance Expenses		
Air conditioners	450,000	0
Computers, printers, scanners, and other computer related equipment	200,000	0
Motor Vehicles and Water Craft	5,743,577	1,250,000
TV sets and Radios	600,000	600,000
	6,993,577	1,850,000
32 - Cash and Cash Equivalents		
Recurrent Expenditure Cash Account	14,867,375	20,266,833
	14,867,375	20,266,833
33 - Receivables		
Imprest Receivable	0	10,770,000
	0	10,770,000
39 - Payables and Accruals		
Staff Claim	5,998,788	5,998,788
Staff debts	(5,998,788)	0
	0	5,998,788
46 - Deferred Income (Revenue)		
Description		
Opening balance 1 July 2021	31,036,832.64	26,692,062.99

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF MINERALS - 0TET0000-TEITI**

Add: Revenue received during the year recurrent	410,159,377.32	443,415,543.00
Total income recurrent	441,196,209.96	470,107,605.99
Less: Amortized amount	426,328,835.00	439,070,773.35
Closing Deferred balance 30 June 2022	14,867,374.96	31,036,832.64

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF MINERALS - 0TET0000-TEITI**

51 - Property, Plant and Equipment

	TZS	TZS
Accumulated Depreciation Computer and Photocopies	(18,505,953)	(14,432,113)
Accumulated Depreciation Furniture and Fittings - Office	(674,960)	(613,600)
Air Conditioner	6,696,500	2,950,000
Audio visual equipment	34,178,127	34,178,127
Camera	30,680,000	0
Computers and Photocopiers	43,535,574	43,535,574
Electrical equipment	(79,275,200)	(70,601,849)
Hardware: servers and equipment (incl. desktops, laptops etc.)	26,633,776	26,633,776
Hardware: servers and equipment (incl. desktops, laptops etc.)	2,800,000	0
Office furniture and fittings	886,656	886,656
Printers and Scanners	1,253,595	1,253,595
Projector Non-Monetary	3,540,000	0
Servers	22,371,008	22,371,008
TV and Radios	12,670,797	11,894,829
	86,789,919	58,056,001

51A - Depreciation of Property, Plant and Equipment

Depreciation - Computers and Related Equipment	4,073,840.00	12,916,403.33
Depreciation - Electrical Equip-Office	8,673,351.00	35,638,841.33
Depreciation - Furniture & Fittings	61,360.00	306,800.00
	12,808,551.00	48,862,044.66

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF MINERALS - 0TET0000-TEITI**

**PHYSICAL PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2022
GOVERNMENT OTHER CHARGES**

CODES AND LINKAGE Target Code	DESCRIPTION Target Description	CUMULATIVE STATUS ON MEETING THE PHYSICAL TARGET Actual Progress	Cumulative Budget-Carry over & Recurrent Budget(TZS)	Actual Amount Received(TZS)	EXPENDITURE STATUS			% Spent of the Budget(%)
					Cumulative Actual Expenditure- (TZS)	TZS	(B/A)	
D09C: Audit of capital investments, mineral production, operating costs and environmental expenditure of small, medium and large-scale mines conducted by June 2022	D09C01: To establish regulatory and institutional framework for sustainable EITI implementation by June 2022.	Operation costs during the period of July 2021 to June 2022 were covered	(A) 350,686,977.00	310,249,903.22	(B) 327,245,021.80	(A-B) 23,441,955.20	(B/A) 93.3%	
	D09C02: To equip, facilitate TEITI Secretariat and Multi-Stakeholder Group (MSG) and implement capacity building program for civil society groups by June, 2022	The activities were implemented successfully	112,995,398.64	99,909,473.78	88,412,641.14	24,582,757.50	78.2%	
Total			463,682,375.64	410,159,377.00	415,558,835.00	48,123,540.70	89.6%	

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF MINERALS - 0TET0000-TEITI**

GOVERNMENT DEVELOPMENT FUND

During the period TEITI had an opening balance of Development fund TZS 707,580,800.00 in the deposit account that operated at the Ministry of Minerals. TEITI spent development fund TZS 356,366,874.00 on the activities tabled below and TZS 351,213,926.00 was the balance.

Objective Description	Activities Description	Original Budget TZS	Actual amount received and Spent(TZS)	Balance (TZS)	% Spent	Remarks
Sustainable Development and Management of mineral resource for national benefit improved D09C0		(A)	(B)	(C)=(A)-(B)	(C)=(B)/(A)*100	
	D09C01. To produce Scoping & TEITI reconciliation reports covering payments and revenues collected in the financial year 2019/20.	266,309,239.00	195,500,000.00	70,809,239.00	73.4%	Activities were not implemented at 100% due to the fact that most of activities involved procurement process and its implementation will be done in the next financial year.
	D09C03. To undertake a study for developing a framework for a register of Beneficial Ownership for the extractive companies in Tanzania and execute lessons learnt from reconciliation exercise by June 2022	182,309,861.52	0.00	182,309,861.52	0.0%	Objectives were not implemented due to the fact that they involve long procurement procedure and its implementation will be done in the next financial year.
	D09C04. To raise awareness on the use of EITI data through Radio, TV Adverts, Workshops and office equipment by June 2022	160,866,874.00	160,866,874.00	0.00	100%	N/A
	D09C06. Disclosure of Contracts of Mining, Oil and Gas companies with MDAs and PSAs	98,094,825.38	0	98,094,825.38	100%	Objectives were not implemented due to the fact that they involve long procurement procedure and its implementation will be done in the next financial year.
Total		707,580,799.90	356,366,874.00	351,213,925.90	50.4%	Overall implementation performance.

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF MINERALS - 0TET0000-TEITI**


SCHEDULE OF PPE

DETAILS	2021/22		2020/21		TOTAL		
	EQUIPMENT 20%	COMPUTER 25%	FURNITURE 20%	EQUIPMENT 20%	COMPUTER 25%	FURNITURE 20%	
Cost Amount	182,465,040.00	55,110,280.00	1,534,000.00	174,815,040.00	49,732,280.00	1,534,000.00	226,081,320.00
Additions	4,522,468.00	-	0	7,650,000.00	5,378,000.00		13,028,000.00
Addition during the year (Non-Monetary Assets)	34,220,000.00	2,800,000.00					-
Total	221,207,508.00	57,910,280.00	1,534,000.00	182,465,040.00	55,110,280.00	1,534,000.00	239,109,320.00
Depreciation							
Depreciation at the Beginning of the year	140,527,865.33	39,298,253.33	1,227,200.00	104,889,024.00	37,299,210.00	920,400.00	143,108,634.00
Depreciation Charge for the year	8,673,351.00	4,073,840.00	61,360.00	35,638,841.33	12,916,403.33	306,800.00	48,862,044.66
Accumulated Depreciation for the year before adjustment	149,201,216.33	43,372,093.33	1,288,560.00	140,527,865.33	50,215,613.33	1,227,200.00	191,970,678.66
Less: Adjustment of Accumulated Depreciation	-	-	-	-	10,917,360.00	-	10,917,360.00
Accumulated Depreciation for the year	149,201,216.33	43,372,093.33	1,288,560.00	140,527,865.33	39,298,253.33	1,227,200.00	181,053,319.00
Net book value	72,006,291.67	14,538,186.67	245,440.00	41,937,174.67	15,812,026.67	306,800.00	58,056,001.34

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF MINERALS - 0TET0000-TEITI**

**RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO
SURPLUS/(DEFICIT)**

NARRATIONS	2022 TZS	2021 TZS
Deficit From Ordinary Activities	34,732,705.50	(35,834,044.66)
Non Cash Movements:		
Depreciation	12,808,550.50	48,862,044.66
Receipts in Kind	(356,366,874.00)	0.00
Use of Goods and Service	319,346,874.00	0.00
Change in Working Capital		
Decrease in Payables	(5,998,788.00)	0.00
Decrease in Deferred income (Revenue)	(16,169,457.68)	(4,344,769.65)
Deferred Income (Capital)	0.00	(171,846,527.65)
Decrease in Receivables	10,770,000.00	137,750,800.00
NET CASH FLOW FROM OPERATING ACTIVITIES	(876,989.68)	(16,722,958.00)

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 Mariam S. Mgaya
 Executive Secretary

30 September 2022
 Date