



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



PANGANI BASIN WATER BOARD (PBWB)  
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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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](mailto:ocag@nao.go.tz)  
Website: [www.nao.go.tz](http://www.nao.go.tz)

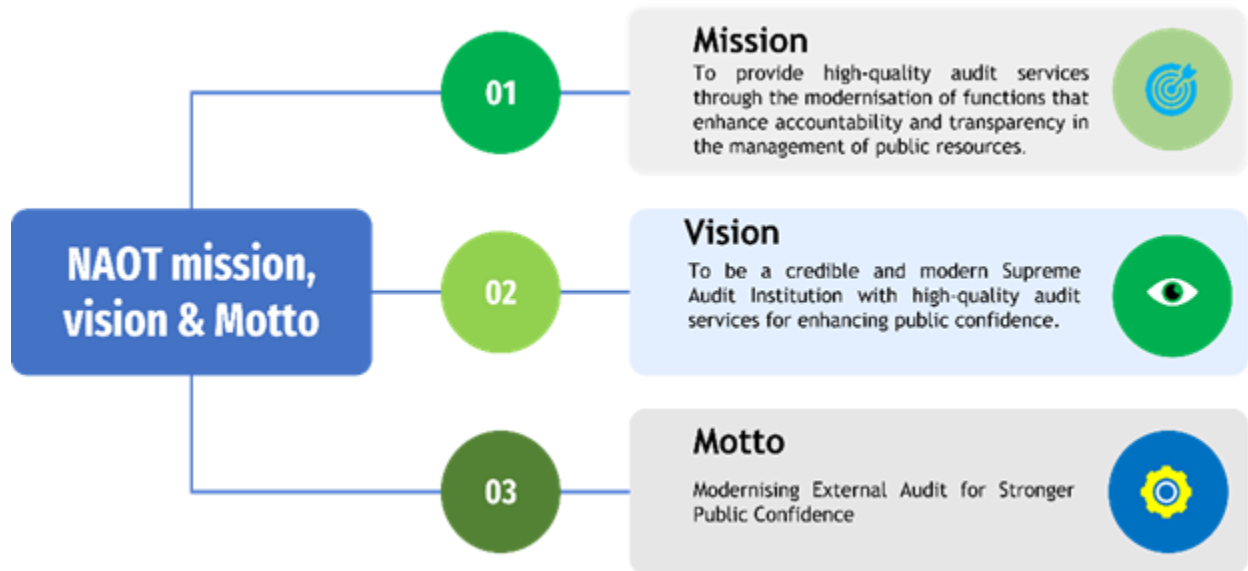
March 2024

AR/CG/PBWB/2022/23

## About the National Audit Office

### Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap 418[R.E 2021]



#### Independence and objectivity

We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

#### Teamwork Spirit

We value and work together with internal and external stakeholders.

#### Results-Oriented

We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



#### Professional competence

We deliver high-quality audit services based on appropriate professional knowledge, skills, and best practices

#### Integrity

We observe and maintain high ethical standards and rules of law in the delivery of audit services.

#### Creativity and Innovation

We encourage, create, and innovate value-adding ideas for the improvement of audit services.

© This audit report is intended to be used by Pangani Basin Water Board (PBWB) 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.

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## Abbreviations

BWBs	Basin Water Boards
CAG	Controller and Auditor General
F/Y	Financial Year
IESBA	International Ethics Standards Board for Accountants
IPSAS	International Public Sector Accounting Standards
IPSAs	International Public Sector Standards
ISSAIs	International Standard of Supreme Audit Institutions
IWRM&D	Integrated Water Resources Management and Development
MIS	Management Information System
MoW	Ministry of Water
NBAA	National Board of Accountants and Auditors
PBWB	Pangani Basin Water Board
PMU	Procurement Management Unit
SLM	Securing Watershed services through Sustainable Land Management in the Ruvu and Zigi Catchments
TZS	Tanzanian Shillings
WSSP II	Second Water Sector Support Project

## 1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Managing Director,  
Pangani Basin Water Board,  
Old Moshi Road,  
P.O. Box 7817,  
MOSHI.

### 1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### **Unqualified Opinion**

I have audited the financial statements of Pangani Basin Water Board, which comprise the statement of financial position as at 30June 2023, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Pangani Basin Water Board as at 30June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348

#### **Basis for Opinion**

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled “Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements”. I am independent of Pangani Basin Water Board in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

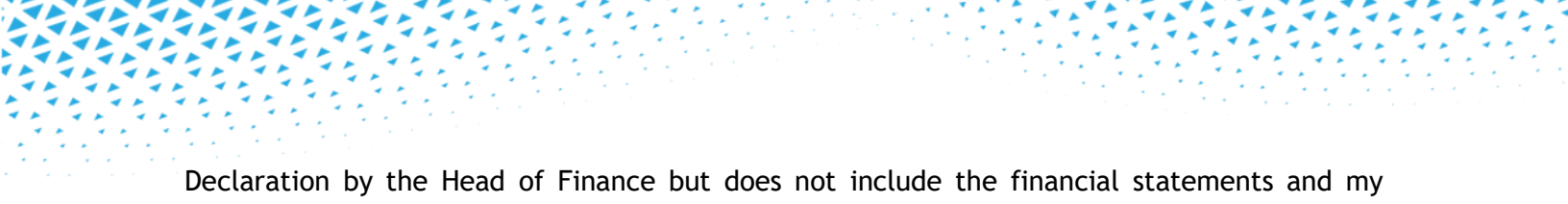
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Key Audit Matters**

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

#### **Other Information**

Management is responsible for the other information. The other information comprises the reports with those charged with governance, statement of management responsibility,



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 communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap 418 [R.E 2021] requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.



Further, Section 48(3) of the Public Procurement Act, Cap 410 [ R.E 2022] requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

## **1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS**

### **1.2.1 Compliance with the Public Procurement laws**

#### **Subject matter: Compliance audit on procurement of works, goods, and services**

I performed a compliance audit on the procurement of works, goods, and services in the Pangani Basin Water Board 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 the Pangani Basin Water Board 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 Pangani Basin Water Board for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

#### **Conclusion**

Based on the audit work performed, I state that Budget formulation and execution of Pangani Basin Water Board 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.**  
**30 March, 2024**



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MINISTRY OF WATER  
PANGANI BASIN WATER BOARD**

**2.0 FINANCIAL STATEMENTS**

**STATEMENT OF THE CHAIRPERSON OF THE BOARD OF DIRECTORS**

**1.0 INTRODUCTION**

Pangani Basin Water Board (PBWB) was established in July, 1991 in accordance with the Water Utilization (Control and Regulation) Act No. 42 of 1974 and its subsequent amendments. The former Act was repealed by Water Resources Management Act No. 11 of 2009 and its amendments of 2022. The head office of the Basin is located in Moshi Municipal along Old Moshi Road. Sub-offices are situated in Arusha city along Wachagga Road and in Tanga city within Gofu Area.

Pangani Basin is a Transboundary Basin shared by Tanzania and Kenya which covers 58,600 square kilometers of which 54600 (93%) lies in Tanzania (Pangani Basin Fact Sheet,2019). A total of 17 Districts and 22 Local Government Authorities falling within the administrative regions of Arusha, Kilimanjaro, Tanga and Manyara (Simanjiro and Kiteto Districts). The Pangani Basin Water Board is committed to attain targets of providing high quality of services and protection of water sources while guided by the following strategic issues.

**1.1 VISION, MISSION AND CORE VALUES OF THE BASIN**

The vision, mission and core values of the Basin are as explained below;

**a) Vision**

To be the Best Water Basin in Africa practicing sustainable water resource management and development while providing equitable opportunities and benefits to the basin population.

**b) Mission**

To manage Pangani Basin water resources efficiently and sustainably using integrated water resources management principles and good governance.

**1.2 CORE VALUES**

**a) Customer Focus**

The Pangani water Basin Staff shall always strive to provide quality services to exceed Customers' expectations.

**b) Accountability**

The Pangani Water Basin Staff shall competitively conduct their duties in a professional and responsible manner with high degree of commitment and transparency.

**c) Patriotism**

The Pangani Water Basin Staff shall vigorously support country interests and the Water Sector obligations

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**d) Impartiality**

The Pangani Water Basin Staff shall observe fairness and equality of treatment in delivering services and handling customer.

**1.3 STRATEGIES TO ACHIEVE VISION AND MISSION**

- (a) Integrated Water Resources Management and development (IWRM&D) approach to ensure water is conserved, protected and effectively and efficiently used;
- (b) Protecting water catchments, water sources and ground water resources;
- (c) Institutional strengthening, capacity building, public awareness and community participation in all aspects of water protection, conservation, sustainable utilization and consistent repair of infrastructure;
- (d) Invest more in human capital;
- (e) Management and development of water resources concurrently with increasing water supply and irrigation schemes; and
- (f) Increasing water supply services for domestic, industries, irrigation and other socio-economic needs.
- (g) Identify, demarcate, and gazette potential water catchments and groundwater recharge areas .
- (h) Conduct study to identify groundwater potential areas and to determine safe yield of aquifer.
- (i) To estimate the recharge amount in high abstraction areas, establish water balance and monitor the behavior of the aquifer due to abstraction.

**1.4 FUNCTION OF THE PANGANI BASIN WATER BOARD**

According to the Water Resources Management Act No. 11 of 2009, section 23(a) to (o) the Entity has the following responsibilities:

- (a) Prepare basin water resources management plans, projects budgets and an implementation strategy.
- (b) Integrate district plans into basin water resources management plans
- (c) Provide guidelines and standards for construction and maintenance of water sources structure.
- (d) Monitor, evaluate and approve construction and maintenance of water source structure
- (e) Collect, process and analyses data for water resources management
- (f) Maintain and update assessment of the availability and potential demand for water resources.
- (g) Approve, issue and revoke water use and discharge permits
- (h) Maintain a Water register in according with section 78 of WRMA No11 of 2009
- (i) Monitor and enforce water use and discharge permits and pollution prevention measures.
- (j) Resolve intra-basins conflicts.
- (k) Implement water resources Management projects and programs.
- (l) Coordinate the inter-sartorial water resources management at the basin level and serve as a channel of communication between these sectors and water users in general.

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- (m) Advise the Director on technical aspects of trans-boundary water issues in the basin.
- (n) Appointment of chairman and members of the catchment and sub catchment committees.
- (o) Prepare reports on the state of Water resources in a Basin.

## **1.5 KEY ACHIEVEMENTS AND CHALLENGES**

### **1.5.1 Key Achievements**

- Two Board Meetings conducted where by 103 water use and 9 discharge permits issued/approved.
- Collection of TZS 1,253,061,098.12 (108%) compared to projected amount of TZS 1,161,750,000.00 for this annual report.
- Three drilling companies (Gaimo Construction Co. Ltd, Waterpro Co. Ltd and JSR Drilling Company Ltd) were caught conducting illegal drilling activities and fined.
- Hydro-geological and geophysical surveys were conducted in 12 District Councils at 40 villages/areas in Arusha (3), Same (8), Arumeru (1), Ngorongoro (1), Rombo (4), Moshi (7), Mwangi (3), Siha (1), Hai (3), Kilindi (2), Handeni (6) and Lushoto (1). Nineteen (19) out of 40 surveyed areas were drilled and 17 got sufficient water; and 2 was dry.
- 108 drilling permits were issued in accordance with the Water Resources Management Act No. 11 of 2009 out of which 95 were drilled and 86 got sufficient water; and 9 were dry.
- Installation of 875 beacons was done in 21 water sources (Nduruma river-80, Chanika dam-60, Parungu dam -25, Duga Maforoni dam-25, Mbuta dam- 25, Horohoro dam- 25, Msomera dam- 50, Isiye river-20, Kwematambwe spring -20, Kwelugogo spring -20, Gomberi River-120, Msomera Well Field -24, Ngarenaro River -56, Kijenge River-45, Themis River -70, Chemka Spring-57, Rundugai Spring-40, Rundugai River -10, Kware River-13, Kikuletwa River-40 and Kindoi springs -50).
- Formation of One WUA (Pangani Kati River) is on progress.
- 37 water use conflicts were reported, 26 resolved and 11 are at different stages towards resolution.
- Fifty-Four (54) staff attended trainings and meetings:

#### **Trainings**

- Induction Course for PBWB staff (in Tanga); Mafunzo ya kuwajengea uwezo Maafisa wa Maji, Wakuu wa Maabara na Maafisa Utumishi & Utawala (in Morogoro & Tabora); Cyber security training organized by eGA (in Morogoro); National Project Management Information System (NPMIS) organized by Ministry of Finance (in Dar es Salaam); The use of earth observation and satellite technologies in water resources monitoring for planning and management organized by the Regional Centre for Mapping of Resources for Development (RCMRD)) (in Dar es salaam); Mafunzo ya Uandaaji wa Hesabu za Taasisi za Umma (in Dodoma).

#### **Meetings**

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- Annual water conference 2022 (in Arusha); National Workshop related to the Convention on the Protection and Use of Transboundary Watercourses and International Lakes: Tanzania's accession process (in Dar es Salaam); The 13th Procurement Supplies Professionals' Annual Conference (in Arusha), Maadhimisho ya Siku ya UKIMWI Duniani Mwaka 2022 (in Lindi); 8th BWBs AGM (in Mbeya); Tanzania Geological Society Annual Workshop and Meeting (in Arusha); ODSS (FFEWS, DOS and WUPA)) (in Dodoma); Semina ya Viongozi wa Wafanyakazi na Maafisa Utumishi na Utawala (in Mwanza); 10th National Annual Conference for Records and Archives Management Professionals Association (in Arusha) and Kikao cha 16 cha Bodi ya Maji ya Taifa (in Dodoma).

#### **1.5.2 Key Challenges**

- Absence of IWRMD plan which pose a risk of having ambitious water use plans among stakeholders without assurance of its availability
- Water sources degradation due to human activities.
- Inadequate water storage infrastructures such as dams
- Vandalism of infrastructures of water resources monitoring.
- Illegal drilling of boreholes without observing legal procedures.
- Inadequate number of staff and office space
- Inadequate technical working tools for measurements and management of water resources.
- Increasing water demand.
- Occurrence and recurrence of water use related conflicts.
- Absence of legal officer at the Basin level

#### **Opportunities**

- Mutual efforts/collaboration with MoW in addressing financial issues including funding of IWRMD
- Willingness of the big water users to contribute more in water resources Management
- Presence of highly committed staff.

#### **1.6 BOARD MEMBERS OF THE BASIN**

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The Pangani Basin Water Board is headed by a Chairman of the Board who is assisted by the Members of the Board and a Basin Water Officer who is the Secretary of the Board and Head of the Management of the Office assisted by the Staff who manages day to day activities of the Basin Water Board Office.

The Board comprises of 11 Board members, other members of the Board represent the stakeholders as given in Operational Guidelines and Memorandum of Understanding.

The names of the members of the Board of Directors who served the Authority during the F/Y 2022/2023 are as follows:

No.	Name	Position
1	Eng. Ruth S. Koya	Board Chair Person
2	Mr. Tito Kitomary	Board Deputy Chair Person
3	Mr. Segule Segule	Board Secretary
4	M/s Rosemary Rwebugisa	Board Member
5	Mr. Jaffari Omari	Board Member
6	Mr. Godchance Moshi	Board Member
7	Mrs. Miza Salum	Board Member
8	M/s Naima Temba	Board Member
9	Eng. Costa Rubagumya	Board Member
10	Mr. Godwell Elias	Board Member
11	Eng. Kija Limbe	Board Member

**CONCLUSION**

The Pangani Basin Water Board desires to provide reliable, complete and timely financial information that will ensure accountability and decision making. The Pangani Basin Water Board continues to register improvements in financial performance as well as in financial management.



.....  
Eng. Ruth S. Koya  
Chairperson - Pangani Basin Water Board

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PANGANI BASIN WATER BOARD**

**2.0 STATEMENT BY THE BASIN DIRECTOR**

The financial statements for the financial year ending 30 June 2023 for the Pangani Basin Water Board has been prepared pursuant to Section 25(4) of the Public Finance Act, 2001 (revised 2004), Regulation 8 (5) of the Public Finance Regulation 2001, Accounting Circulars on closure of financial year.

The set of Financial Statements comprehensively provide the relevant information concerning the approved budget, receipts, expenditure and operational achievements made during the year ended 30 June, 2023.

**2.1 FINANCING**

In the financial year 2022/23 the Basin through Water Basin Board approved revenue estimates amounting to TZS 10,817,347,000 but the actual amount collected up to 30<sup>th</sup> June, 2023 was TZS 5,252,096,000 which is equivalent to 49%.

**2.2 MANAGEMENT STRUCTURE**

The Pangani Basin Water Board is headed by a Basin Water Director who manages day to day activities of the Basin. The Basin Water Officer is assisted by eight units, Eight schedules and two catchment water offices in Tanga and Arusha cities.

**2.3 INTERNAL CONTROL SYSTEM**

Conducted according to Accounting procedures revolve around the Public Finance Act No.6 of 2001 (revised in 2020).

**2.4 INTERNAL AUDIT**

Regulation 33 - 35 of the Public Finance Regulations, 2001 requires the Accounting Officer to establish an effective Internal Audit Unit. The Board has established an Internal Audit Unit to appraise the soundness and application of accounting financial and operational controls within the Basin Water Board. Currently the Basin Water Board is using the Internal Audit unit from the Ministry of Water to oversee the controls instituted in the Basin until we get instructions from Chief Internal Auditor on how this unit can operate.

**2.5 PROCUREMENT TENDER BOARD**

The Public Procurement Act. No. 7 of 2011 (Amended 2016) requires the Basin to form Tender Boards and establish a Procurement Management Unit (PMU). The Basin has established a Tender Board and a Procurement Management Unit.

The Basin has established a Procurement Management Unit and a Tender Board which together manage all of procurement issues as per Public Procurement Act of 2011 as amended on 2016. Also, the tender board has been established using the same act.

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**Composition of Procurement Management Unit**

S/N	NAME	QUALIFICATIONS
1	Maria Shauri	CPSP
2	Linda Massam	CPSP
3	Arafa Maggidi	Engineer

**Composition of Tender Board**

S/N	Name	Position
1.	Jane Kabogo	Chairperson
2.	Maria Shauri	Secretary
3.	Elmosaria Kessy	Member
4.	Bakari Bamba	Member
5.	Florence Lyimo	Member
6.	Ally Gonza	Member
7.	Jerome Joseph	Member

**2.6 IMPLEMENTATION OF THE PLAN AND BUDGET FOR THE F/Y 2022/23**

During the fiscal year 2022/23 the Basin continued to implement its planned activities based on its objectives in order to ensure that the Basin is run in an efficient and effective manner, providing quality advice in all issues pertaining to water resources management and protecting water sources.

**2.6.1 Key Achievements**

- Two Board Meetings conducted whereby 103 water user and 9 discharge permits issued/approved.
- Collection of TZS 2,320,403,000 (98%) compared to projected amount of TZS 2,367,000,000 for this annual report.
- Three drilling companies (Gaimo Construction Co. Ltd, Waterpro Co. Ltd and JSR Drilling Company Ltd) were caught conducting illegal drilling activities and fined.
- Hydro-geological and geophysical surveys were conducted in 12 District Councils at 40 villages/areas in Arusha (3), Same (8), Arumeru (1), Ngorongoro (1), Rombo (4), Moshi (7), Mwanza (3), Siha (1), Hai (3), Kilindi (2), Handeni (6) and Lushoto (1). Nineteen (19) out of 40 surveyed areas were drilled and 17 got sufficient water; and 2 was dry.
- 108 drilling permits were issued in accordance with the Water Resources Management Act No. 11 of 2009 out of which 95 were drilled and 86 got sufficient water; and 9 were dry.
- Installation of 875 beacons was done in 21 water sources (Nduruma river-80, Chanika dam-60, Parungu dam -25, Duga Maforoni dam-25, Mbuta dam- 25, Horohoro dam- 25, Msomera dam- 50, Isiye river-20, Kwematambwe spring -20, Kwelugogo spring -20, Gomberi River-120, Msomera Well Field -24, Ngarenaro River -56, Kijenge River-45, Themti River -70, Chemka Spring-57, Rundugai Spring-40, Rundugai River -10, Kware River-13, Kikuletwa River-40 and Kindoi springs -50).

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- Formation of One WUA (Pangani Kati River) is on progress.
- 37 water use conflicts were reported, 26 resolved and 11 are at different stages towards resolution.
- Fifty-Four (54) staff attended trainings and meetings:

**Trainings**

- Induction Course for PBWB staff (in Tanga); Mafunzo ya kuwajengea uwezo Maafisa wa Maji, Wakuu wa Maabara na Maafisa Utumishi & Utawala (in Morogoro & Tabora); Cyber security training organized by eGA (in Morogoro); National Project Management Information System (NPMIS) organized by Ministry of Finance (in Dar es Salaam); The use of earth observation and satellite technologies in water resources monitoring for planning and management organized by the Regional Centre for Mapping of Resources for Development (RCMRD) (in Dar es salaam); Mafunzo ya Uandaaji wa Hesabu za Taasisi za Umma (in Dodoma)

**Meetings**

- Annual water conference 2022 (in Arusha); National Workshop related to the Convention on the Protection and Use of Transboundary Watercourses and International Lakes: Tanzania's accession process (in Dar es Salaam); The 13th Procurement Supplies Professionals' Annual Conference (in Arusha), Maadhimisho ya Siku ya UKIMWI Duniani Mwaka 2022 (in Lindi); 8th BWBs AGM (in Mbeya); Tanzania Geological Society Annual Workshop and Meeting (in Arusha); ODSS (FFEWS, DOS and WUPA) (in Dodoma); Semina ya Viongozi wa Wafanyakazi na Maafisa Utumishi na Utawala (in Mwanza); 10th National Annual Conference for Records and Archives Management Professionals Association (in Arusha) and Kikao cha 16 cha Bodi ya Maji ya Taifa (in Dodoma).

**2.6.2 Key Challenges**

- Absence of IWRMD plan which pose a risk of having ambitious water use plans among stakeholders without assurance of its availability
- Water sources degradation due to human activities.
- Inadequate water storage infrastructures such as dams
- Vandalism of infrastructures of water resources monitoring.
- Illegal drilling of boreholes without observing legal procedures.
- Inadequate number of staff and office space
- Inadequate technical working tools for measurements and management of water resources.
- Increasing water demand.
- Occurrence and recurrence of water use related conflicts.
- Absence of legal officer at the Basin level

**2.6.3 Opportunities**



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- Mutual efforts/collaboration with MoW in addressing financial issues including funding of IWRMD
- Willingness of the big water users to contribute more in water resources Management
- Presence of highly committed staff
- Trust from our customers/stakeholders

**2.7 EMPLOYEES WELFARE**

The Basin is convinced that equal opportunities for all, irrespective of ethnicity, race, gender, disability or religion should be pursued. The Basin accepts that only through the loyalty and dedication of its employees will be able to achieve its goal and fulfill its aims. The Basin provides various benefits to staff such as staff training to develop their career.

**2.8 DISABLED PERSONS**

The Basin provides equal opportunities for all irrespective of ethnicity, race gender, disability or religion should be pursued.

**2.9 CROSS CUTTING ISSUES**

The Basin advocacy their staff to be aware about HIV/ Aids issues especially on voluntary counseling and testing.

Segule Segule A.  
Basin Director

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**STATEMENT OF MANAGEMENT RESPONSIBILITY**

Management of the Pangani Basin Water Board is responsible for the preparation of these annual Financial Statements ended 30June 2022, to which give a true and fair view of the

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**PANGANI BASIN WATER BOARD**

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 statutory authority, and properly record the use of all public financial resources accordingly. The budget for Pangani Basin Water Board was approved for fiscal period from 1July, 2021 to 30June, 2022 and the Basin continued to operate in the same manner as in the approved budget for the period to 30June, 2023.

To the best of our knowledge, the system of internal control has operated adequately throughout the reporting period and that the records and underlying accounts provide a reasonable basis for the preparation of the Financial Statements for the year ended 30th June, 2023. Procurement of goods, works and consultancy and non-consultancy service to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act no.9 of 2011 and its Regulations 2013.

The Management accepts the 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. Management is taking responsibility of building confidence to users of these financial statements that they portray the true and fair view of the state of affairs of the reporting entity. In our opinion, nothing has come to the attention of the management that the financial statements don'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.

DIRECTOR

Segule Segule A.

.....

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER  
PANGANI BASIN WATER BOARD**

**DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING**

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 Board 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, Emmanuel Dickson being on behalf of the Head of Finance/Accounting of Pangani Basin Water Board hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30June 2023 have been prepared in compliance with applicable accounting standards and statutory requirements.

I, thus confirm that the financial statements give a true and fair view position of Pangani Basin as on that date and that they have been prepared based on properly maintained financial records.

Signed by: .....

NBAA Rgd No. GA 10878

Position: ACCOUNTANT

Date: .....

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER  
PANGANI BASIN WATER BOARD**

**3.0 COMMENTARY TO THE FINANCIAL STATEMENTS**

**3.1 FINANCIAL POSITION**

The financial position is a snapshot of the ending balances of Asset, Liability and equity as at the date of report. This is one of the key elements of performance which shows on how well the PBWB is managing Assets and liabilities.

**a) CASH AND CASH EQUIVALENT**

Cash and bank balances in the statements of financial position comprises cash at hand and cash at bank both developments and recurrent. For 2022/23 cash and cash equivalent was TZS 1,209,477 while in previous year 2021/22 was TZS 494,706. The increase is due to funds received from Ministry of Finance for Development Projects.

**b) RECEIVABLES AND PREPAYMENTS**

Receivables are determinable receipts which include Water user fees charges and staff advances which are non-exchange revenues from previous years. The outstanding amount in 2022/23 is TZS 271,925,000 while in financial year ended 30th June 2022, the receivables were TZS 181,451,000. This is increase by 150%. The increase is due to delayed payments by Urban Water Authorities.

**c) INVENTORIES**

Inventories are measured at current replacement cost. It includes stationeries, Fuel and Water resource structures used to repair river gauging stations and rainfall stations. In F/Y 2022/23 inventory is 26,926,000 while in the financial year 2021/22 was TZS 23,800,000, there is increase of inventories of TZS 3,126,000

**d) PROPERTY, PLANT AND EQUIPMENT (PPE)**

Property, plant and equipment are stated at cost and now is fully complied with the recognition and measurement requirement of IPSAS 17 and during the year Property, plant and equipment in the Financial year 2022/2023 is TZS 5,000,544,000 as compared to TZS 5,326,384,000 in the Financial Year 2021/22 Decrease of Net Book Value associated with slight increase in additional asset and constant accumulated depreciation applied

**e) PAYABLES AND ACCRUALS**

These are money which the Pangani Basin owes to different suppliers of goods and services provided on credit terms. Due to IPSAS accrual basis, the outstanding payable in 2022/23 is TZS 29,518,000 while payable in financial year 2021/22 was TZS 10,758,000

**f) LOAN**

The Board recovered loan from Lake Victoria Basin TZS 45,000,000 in 2022/23 while in 2021/22 we recovered TZS 10,000,000 from Central Drainage Basin.

**3.1 FINANCIAL PERFORMANCE**

**THE UNITED REPUBLIC OF TANZANIA  
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This is a subject measure on how well the Pangani Basin Water Board used its resources to generate Revenue and financial health of the Basin for a period of one year.

**a) REVENUE FROM EXCHANGE TRANSACTIONS**

Water User Fees, Application for Water Use Permit and Other Sources. These are recognised when the events occur and termed as Own sources collection. For year under review, it is TZS 2,410,877,000 compared to TZS 2,148,298,000 of FY 2021/22.

**b) REVENUE FROM NON-EXCHANGE TRANSACTIONS**

The funds received direct from the Ministry of Water and was utilised for the specific purpose, in FY 2022/2023 is TZS 2,254,996,000 as compared to TZS 1,443,866,000 received in the Financial Year 2021/22.

**c) OTHER RECEIPTS:**

These are funds from the Ministry of Water to Laboratories. Amount received is TZS 208,159,000 in 2022/23 compared to TZS 152,458,000 in 2021/22

**d) WAGES, SALARIES AND EMPLOYEES' BENEFITS**

These Include salaries, casual wages, Per diem, transport, extra duty, Burial expenses and so many field activities. In the period ended 30<sup>th</sup> June 2023 the PBWB spent TZS 512,420,000 compared to TZS 549,583,000 of financial year 2021/22.

**e) SUPPLIES AND CONSUMABLES**

This Includes supplies like fuel, stationeries, utilities, photocopying and many others. During F/Y 2022/23 the Board used TZS 2,381,677,000 for paying these activities compared to TZS 2,834,972,000 in 2021/22

**f) ROUTINE MAINTENANCE AND REPAIRS.**

A total of TZS 248,982,000 was incurred in 2022/23 by the basin for maintenance and service while in 2021/22 was TZS 166,157,000. It includes repairs motor vehicles, cement, building materials, and communication networks.

**g) OTHER OPERATING EXPENSES.**

This includes minor expenses for building repairs, plumbing etc. The total amount is TZS 44,361,000 for 2022/23 while in 2021/22 is TZS 47,694,000.

**h) TRANSFERS.**

Pangani Basin Water Board made a transfer of funds TZS 1,187,021,000 in 2022/23 to various institutions like water quality (laboratory) while in 2021/22 there was TZS 530,096,000, transferred

**THE UNITED REPUBLIC OF TANZANIA  
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PANGANI BASIN WATER BOARD**

**i) RELATED PARTY TRANSACTIONS.**

-Board of Directors used TZS 268,048,000 as sitting allowances for running Quarterly meetings in 2022/23 while in 2021/22 the board used TZS 264,232,000.

-The Ministry of Water disburse funds to Laboratories. In 2022/23 funds received was TZS 208,159,000, While in 2021/22 the funds received was TZS 152,458,000.

**j) DEPRECIATION CHARGES.**

This is the decrease in value of non-current assets due to wear and tear. In 2022/23 depreciation was TZS 341,180,000 while in 2021/22 it was TZS 338,255,000. The decrease is due to review of useful life of noncurrent asset

**3.2 CORPORATE GOVERNANCE**

The composition of Basin's including elected members. There are clear demarcations of roles and functions of personnel.

**3.3 RISK MANAGEMENT AND INTERNAL CONTROLS**

The Board accepts final responsibility for the risk management and internal control systems of the Basin. The Management is ensuring that adequate internal financial and operational control systems are maintained in order to provide reasonable assurance regarding the effectiveness and efficiency of operations in: -

- The safeguarding of the Basin's assets (including information).
- Compliance with the applicable laws, regulations and supervisory requirements.
- The reliability of the accounting records.
- Business sustainability under normal as well as adverse conditions.
- Responsible behaviour towards all stakeholders.

**3.4 ENVIROMENTAL ISSUES**

The Board is aware of environmental issues and hence it avoids activities which have negative impact to the environment.

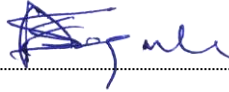
**3.5 AUDITORS**

The controller and Auditor General (CAG) is the statutory auditor for the Pangani Basin Water Board Pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005) and the Section 10 of the Public Audit Act No. 11 of 2008.

The Pangani Basin Water Board continues to improve financial management and it has complied with IPSAS accrual basis during the reporting period for the year ended 30th June 2023. This has enhanced the financial reporting in Government and provides transparency and more comprehensive financial information to decision makers.

These Financial Statements should be read in conjunction with notes and schedules for better understanding.

**THE UNITED REPUBLIC OF TANZANIA  
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A handwritten signature in blue ink, appearing to read 'Segule', is positioned above a horizontal dotted line.

SeguleSegule A.  
**Basin Director**

**THE UNITED REPUBLIC OF TANZANIA  
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PANGANI BASIN WATER BOARD**

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	NOTE	2022/23 TZS ('000)	2021/22 TZS ('000)
<b>ASSETS</b>			
Cash and Cash Equivalent	24	1,209,477	494,706
Receivables	21	271,925	181,451
Loans Receivables	26	-	45,000
Inventories	23	26,926	23,800
Property Plant and Equipment	34	5,000,544	5,326,384
<b>TOTAL ASSETS</b>		<b>6,508,872</b>	<b>6,071,342</b>
<b>LIABILITIES</b>			
Payables and Accruals	22	29,518	10,758
Deferred Income (Development)	20	1,029,037	669,097
Deposit	25	108,599	-
<b>TOTAL LIABILITIES</b>		<b>1,167,153</b>	<b>679,855</b>
<b>Net Asset</b>		<b>5,269,767</b>	<b>5,341,334</b>
<b>NET ASSETS/EQUITY</b>			
Taxpayer Fund		5,319,240	5,319,240
Accumulated surpluses/(deficits)		22,479	72,247
<b>TOTAL NET ASSETS/EQUITY</b>		<b>5,269,767</b>	<b>5,341,334</b>

.....  
Segule Segule A.  
Water Officer  
30/09/2023

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 June 2022**



**THE UNITED REPUBLIC OF TANZANIA  
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PANGANI BASIN WATER BOARD**

	NOTE	2022/23 TZS ('000)	2021/22 TZS ('000)
<b>REVENUE</b>			
Revenue from Exchange Transactions	12	2,410,877	2,148,298
Subvention from Other Government Entities	13	2,254,996	1,443,866
Other Receipts	13B	208,159	152,458
<b>TOTAL REVENUE</b>		<b>4,874,032</b>	<b>3,744,622</b>
<b>EXPENSES AND TRANSFERS</b>			
Wages, Salaries and Employee Benefits	14	512,420	549,583
Supplies and Consumables goods/Service	15	2,381,677	2,834,972
Routine Repair and Maintenance	16	248,982	166,157
Other Operating Expenses	17	44,361	47,694
Transfer to SLM	18	0.00	530,096
Transfer to Ministry of Finance	18B	1,187,021	0.00
Laboratory expenses	25	208,159	152,458
Depreciation during the year	19	341,180	338,255
<b>Total expenses and Transfers</b>		<b>4,923,800</b>	<b>4,619,215</b>
<b>Surpluses/deficits for the period</b>		<b>(49,768)</b>	<b>(874,593)</b>

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Segule Segule A.  
Water Officer  
30/09/2023

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

Description	Taxpayers Fund	Accumulation Surplus	Total
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Opening Balance 01 Jul 2022	5,319,240	72,247	5,843,426
Deficit/Surplus during the Year		(49,768)	(49,768)
<b>Closing Balance 30 June 2023</b>	<b>5,319,240</b>	<b>22,479</b>	<b>5,341,719</b>

2021/22 Description	Taxpayers Fund	Accumulation Surplus	Total
Opening Balance 01 Jul 2021	5,319,240	896,687	6,215,927
Appropriation	-	50,152	50,152
Deficit/Surplus during the Year	-	(874,593)	(874,593)
<b>Closing Balance 30 June 2022</b>	<b>5,319,240</b>	<b>72,247</b>	<b>5,391,487</b>

The Management reviewed useful life for noncurrent assets approaching zero (0) Net Book Value. After review, accumulated depreciation reduced by TZS 50,152 and increase in accumulated surplus by the same amount. Accumulated surplus increased from prior audited figure TZS 5,341,334 to TZS 5,391,487

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Segule Segule A.  
Basin Director  
30/09/2023

**THE UNITED REPUBLIC OF TANZANIA  
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PANGANI BASIN WATER BOARD**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2022/23 TZS	2021/22 TZS
Revenue from Exchange Transaction	27	2,320,403	2,334,271
Revenue from Ministry of Water	28	2,614,935	1,435,050
Other revenue Water Quality Laboratory	13B	208,159	175,380
Deposit Receipt	25	108,599	-
<b>Total Receipts</b>		<b>5,252,096</b>	<b>3,944,700</b>
<b>Payments</b>			
Wages, Salary & Employment Costs	14	(512,420)	(549,583)
Routine repair & Maintenance	16	(248,982)	(166,157)
Supply & Consumable Goods/Services	15	(2,366,043)	(2,856,278)
Other Operating Expenses	17	(44,361)	(47,694)
Funds to Water Shade SLM	18	-	(530,096)
Funds to Water Shade Ministry of Finance	18	(1,187,021)	-
Laboratory expenses	25	(208,159)	(152,458)
Loan	26	-	(45,000)
<b>Total Payments</b>		<b>(4,566,986)</b>	<b>(4,347,266)</b>
<b>Net Cash Flow from Operating expenses</b>		<b>685,110</b>	<b>(402,565)</b>
<b>Cash flow from Investment</b>			
Acquisition of PPE	34	(15,340)	(89,745)
<b>Total Payments for Investment</b>		<b>(15,340)</b>	<b>(89,745)</b>
<b>Cash flow from Financing</b>			
Loan recovered	26	45,000	10,000
<b>Net cashflow from financing activities</b>		<b>45,000</b>	<b>10,000</b>
<b>Net (decrease)/increase in Cash and Cash Equivalent</b>		<b>714,770</b>	<b>(482,311)</b>
<b>Cash &amp; Cash Equivalent at 01 July 2022</b>		<b>494,706</b>	<b>977,017</b>
<b>Cash &amp; Cash Equivalent at 30 June 2023</b>		<b>1,209,477</b>	<b>494,706</b>

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Segule Segule A.  
Basin Director

**THE UNITED REPUBLIC OF TANZANIA  
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PANGANI BASIN WATER BOARD**

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

Receipts	Original Budget 2022/2023 (A)	Adjustment 2022/2023 (B)	Final Budget 2022/2023 (C)	Amount on Accruals 2022/2023 (D)	Accruals 2022/2023 (E)	Actual on Comparable Basis 2022/2023 (D-E)	Difference (C-D)	Explanation of Variance Exceeding 10%
Receipts from Exchange Transaction	2,367,000	-	2,367,000	2,410,877	90,474	2,320,403	46,597	
Receipts from Ministry of Water	8,133,589	-	8,133,589	2,254,996	359,939	2,614,935	5,518,654	Insufficient funds from Ministry of Water
Other receipts					-	316,758	(316,758)	Money received for water quality monitoring which was not in budget
Loan repaid from Lake Victoria	45,000	-	45,000	45,000	-	45,000	-	
<b>Total Revenue</b>	<b>10,862,347</b>	<b>-</b>	<b>10,862,347</b>	<b>5,027,631</b>	<b>450,413</b>	<b>5,297,096</b>	<b>5,248,493</b>	
<b>Payments</b>								
Wages, Salary & Employment Costs	850,000		850,000.00	512,420.00	-	512,420	337,580	The Board expected to recruit casual labour during implementation of IWRMD Plans which was not implemented during the year under review.
Routine repair & Maintenance	647,000		647,000.00	248,982.00	-	248,982	398,018	The Board expected to receive funds from the Ministry of Water for repair of office building. But funds were not disbursed.
Supply & Consumable Goods/Services	7,748,088		7,748,088	2,381,676.58	(15,633.58)	2,366,043	5,286,946	The Board Budgeted funds for Construction of office building. The funds were not disbursed from the Ministry of Water.
Other Operating Expenses	600,600		600,600.00	44,361.00	-	44,361	556,239	Much of the funds were committed to engage a consultant during construction of office Building. The work was not undertaken.

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Funds to Water Shade SLM	750,000		750,000.00	1,187,021.00	-	1,187,021	(437,021)	The amount which was overspent above 10% was fund received from Ministry of Finance for Compensation of land of Kivululu and Olgilai water source in Arumeru District in Arusha Region.
Acquisition of PPE	58,500		58,500	15,340	-	15,340	43,160	The Board expected to acquire of new office building, furniture and fittings and other office equipment but the same was not done due to non-release of funds from the Ministry.
Water Quality	208,159		208,159	208,159	-	208,159	-	
<b>Total Payment</b>	<b>10,862,347</b>	<b>-</b>	<b>10,862,347</b>	<b>4,597,960</b>	<b>15,634</b>	<b>4,582,326</b>	<b>6,184,922</b>	
<b>Surplus/Deficit During the Year</b>						<b>714,770</b>	<b>(714,770)</b>	

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Segule Segule A.  
Basin Director

**THE UNITED REPUBLIC OF TANZANIA  
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PANGANI BASIN WATER BOARD**

<b>WORKINGS FOR ACCRUALS BETWEEN SOFP AND CFS</b>		
<b>NO</b>	<b>DESCRIPTION</b>	<b>YEAR 2022/23</b>
<b>1</b>	<b>REVENUE</b>	<b>TZS (ONES)</b>
	Revenue grants and Fund received	
	Performance	2,254,996
	Less non cash Revenue	-
	Less:-Opening Deferred Grants	669,097
	Add:-Closing Deferred Grants	1,029,037
	<b>Cash flow</b>	<b>2,614,935.17</b>
<b>2</b>	<b>Revenue from Exchange Transactions</b>	
	Performance	2,410,877
	Add:- Receivable 2022	180,951
	Less:- Receivable 2023	271,425
	<b>Cash flow</b>	<b>2,320,403</b>
<b>3</b>	<b>Other Revenue</b>	
	Performance	208,159
	Add:- Receivable 2022	-
	Less:- Receivable 2023	-
	<b>Cash flow</b>	<b>208,159</b>
<b>4</b>	<b>Deposit</b>	
	Deposit receipt	108,599
	Less:- Deposit payments	-
	<b>Cash flow</b>	<b>108,599</b>
	<b>Expenditure</b>	
<b>5</b>	<b>Maintenance Expenses</b>	
	Performance	248,982
	Add:- Payable 2022	-
	Less:- Payable 2023	-
	<b>Cash flow</b>	<b>248,982</b>
<b>6</b>	<b>Other Expenses</b>	
	Performance	44,361
	Add:- Payable 2022	-
	Less:- Payable 2023	-
	<b>Cash flow</b>	<b>44,361</b>
<b>7</b>	<b>Use of goods</b>	
	Performance	2,381,676.58
	Add payable supplies 2022	10,757.98
	Less payable supplies 2023	(29,517.61)
	Add Inventory 2023	26,925.93
	Less Inventory 2022	(23,800.28)
	Add salary advance 2023	500.00

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	Less salary advance 2022	(500.00)
	<b>Cash flow</b>	<b>2,366,042.60</b>
<b>8</b>	<b>Wages, Salaries and Employee Benefits</b>	
	Performance	512,419.80
	Add:- Staff Claims 2022	-
	Less:- Staff Claims 2023	-
	<b>Cash flow</b>	<b>512,419.80</b>
<b>9</b>	<b>Transfer to SLM</b>	
	Performance	1,187,021.49
	Add:- Staff Claims 2022	-
	Less:- Staff Claims 2023	-
	<b>Cash flow</b>	<b>1,187,021.49</b>
<b>10</b>	<b>Laboratory expenses</b>	
	Performance	208,159.11
	Add:- Staff Claims 2022	-
	Less:- Staff Claims 2023	-
	<b>Cash flow</b>	<b>208,159.11</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2023**

<b>Note 12 - Revenue- Exchange Transactions</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>TZS ('000)</b>	<b>TZS ('000)</b>
Water user fees	1,891,457	1,586,892
Application fee	74,190	117,011
Water discharge fee	110,279	12,755
Geophysical Survey	185,802	349,914
Fine and Penalties	16,082	13,170
Other Miscellaneous	133,068	68,557
<b>Total</b>	<b>2,410,877</b>	<b>2,148,298</b>
<b>Note 13 - Revenue-Non-Exchange Transaction</b>		
Receipts from WSSP II	-	180,448
Capital Grants	1,897,797	103,240
National Water Fund	357,199	885,195
Transfer from DONORS/NGOs	-	198,461
Transfer from MoW-DWR	-	76,522
Assets Grants Non-Monetary Motor Vehicle		103,240
<b>Total</b>	<b>2,254,996</b>	<b>1,547,106</b>

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<b>Note 13B - Other Revenue</b>		
Receipt from Water Quality Laboratory (Ministry of Water)	208,159	152,458
<b>Total</b>	<b>208,159</b>	<b>152,458</b>

<b>Note 14 - Wages, Salaries &amp; Employment</b>		
Casual Labour	151,461	125,062
Civil Servants Contracts	33,790	73,256
Honorarium	71,328	31,000
Sitting Allowance	146,820	184,373
Contribution to PSSF	5,180	4,020
Leave Travel	5,432	806
Extra duty	63,731	94,129
Gauge readers	-	-
Subsistence Allowance	-	1,680
Professional Allowances	34,470	34,840
Moving Expenses	208	417
<b>Total</b>	<b>512,420</b>	<b>549,583</b>
<b>Note 15 - Supply and Consumables</b>		
Office Consumables (papers, pencils, pens and stationaries)	60,565	15,673
Computer Supplies and Accessories	-	14,938
Advertising and Publication	33,730	117,016
Subscription Fees	13,330	823
Awareness creation	-	18,158
Board expenses	121,228	79,859
Clearning servises	-	-
Outsourcing Costs (includes cleaning and security services)	57,944	48,646
Communication expenses PVT	-	-
Communication Network Services	10,248	800
Computer Supplies and accessories	44,959	-
Electrical bills-TANESCO	11,275	14,521
Entertainment/Hospitality	3,843	2,650
Exhibition, Festivals and Celebrations	6,489	2,370



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Donation	19,927	6,700
Conference facilities	5,400	13,850
Fuel, Oils, Lubricants	-	-
Diesel	404,897	306,204
Drilling/Hydrogeological Survey	-	-
Borehole Survey	-	-
Air Travel Tickets	2,365	3,412
Ground travel (bus, railway taxi, etc)	11,667	27,907
Ground Transport (Bus, Train, Water)	19,728	10,691
Insurance	236	118
Laboratory Sampling Test	-	-
Office and General Supplies to Govt.	-	-
Office and General Supplies to PVT	-	-
Posts and Telegram	1,459	2,050
Printing and Photocopy	-	-
Rental of Heavy Equipment	127,016	16,000
Rent - Land	3,019	8,373
Security Services	-	-
Training Allowances	9,103	35,611
Training Materials	18,847	22,188
Training expenses	-	-
Tuition Fees	9,550	2,600
Telephone charges	4,358	3,014
Water expenses	4,406	3,119
Sewage Charges and waste disposal	-	780
Musical instruments	516	4,705
Workshop and Forums	-	-
Conservation of Water Sources	21,095	50,085
Stationery	-	-
In ternate and Email connection	15,876	11,790
Per diem Domestic	1,261,729	1,746,734
SmallsTools Equipment	22,922	5,614
Camera	800	7,045
Food and Refreshment	53,149	81,679
MoW expenses	-	149,250
<b>Total</b>	<b>2,381,677</b>	<b>2,834,972</b>

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<b>Note 16 - Routine Repair and Maintenance</b>		
Electrical Equipment	-	-
Service and Repairs	-	-
Tyres and Batteries	20,381	25,729
Vehicle and Transport	-	-
Outsource maintenance contract services	30,407	33,577
Hard ware and Building Material	189,790	103,271
SmallsTools Equipment	-	-
Fire Protection Equipment	1,803	323
Pipes and Fittings	6,602	3,257
Spare parts	-	-
<b>Total</b>	<b>248,982</b>	<b>166,157</b>
<b>Note 17 - Operating Expenses</b>		
Burial Expenses	4,734	1,450
Operating expenses, collection and Distribution	-	-
Management expenses	-	-
Consultancy fee	7,630	17,493
Bank charges and Commission	2,009	60
Tax levied by another level of government (withholding tax)	9,988	8,691
Consolidate Fund	20,000	20,000
Subscription to Govt Bodies	-	-
<b>Total</b>	<b>44,361</b>	<b>47,694</b>
<b>Note 18 - Transfers</b>		
SLM & GIZ	-	530,096
Ministry of Finance Expenditure	1,187,021	-
<b>Total</b>	<b>1,187,021</b>	<b>530,096</b>
<b>Note 19 - Depreciation</b>		
Depreciation expenses during the year	362,979	338,255
<b>Total</b>	<b>362,979</b>	<b>338,255</b>
<b>Note 20: Deferred Income Revenue</b>		
Opening balance	669,097	654,991
Add: Funds received	2,614,935	1,610,430
	<b>3,284,033</b>	<b>2,265,421</b>
Less: Amortized	2,254,996	1,596,323

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Closing balance	1,029,037	669,097
<b>Note 21- Receivable from Exchange Transactions</b>		
Receivables	271,425	180,951
Staff	500	500
<b>Total</b>	<b>271,925</b>	<b>181,451</b>
<b>Receivables</b>		
<i>Opening balance</i>	180,951	366,924
<i>Add: New bills</i>	1,891,457	2,148,298
<i>Less: Collections</i>	1,800,983	2,334,271
<b>Closing balance</b>	<b>271,425</b>	<b>180,951</b>
<b>Note 22- Payables</b>		
Payables	29,518	10,758
<b>Total</b>	<b>29,518</b>	<b>10,758</b>

<b>Note 23 - Inventories</b>		
Office consumables	26,926	23,800
<b>Total</b>	<b>26,926</b>	<b>23,800</b>
<b>Note 24: Cash and Cash Equivalent</b>		
Recurrent Accounts-NMB 40301100146	63,534	10,922
Development Account-40301100261	1,137,634	428,054
Collection Accounts-CRDB-0150391896900	4,930	-
Collection Accounts-BOT-9925264361	36	55,730
Collection Accounts-NBC-017139000041	1,306	-
Collection Accounts-NMB 403310073188	2,037	-
<b>Total Cash and Cash Equipment</b>	<b>1,209,477</b>	<b>494,706</b>
<b>Note 25 - Deposit and Expenditure Accounts</b>		
Deposit Transactions	108,599	-
<b>Total Deposit Account</b>	<b>108,599</b>	<b>-</b>
<i>Opening balance</i>	-	321,361
<i>Add: Receipt from Laboratory</i>	316,758	175,380
<i>Funds available</i>	316,758	496,741
<i>Less: Payment made during the year</i>	208,159	496,741
<b>Closing balance</b>	<b>108,599</b>	<b>-</b>
<b>Note 26 - Loan Account</b>		

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Loan	-	45,000
<b>Total Loan</b>	-	<b>45,000</b>
<i>Opening balance</i>	<i>45,000</i>	<i>10,000</i>
<i>Add: Loan to Lake Victoria</i>	<i>-</i>	<i>45,000</i>
	<i>45,000</i>	<i>55,000</i>
<i>Less: Loan paid by Lake Victoria</i>	<i>45,000</i>	<i>10,000</i>
<b>Closing Balance</b>	-	<b>45,000</b>
<b>Note 27: Receipts from Exchange Transactions</b>		
Water User fee	1,800,983	1,772,865
Water Application fees	74,190	117,011
Water Discharge fees	110,279	12,755
Geophysical surveys	185,802	349,914
Fines and Penalties	16,082	13,170
Other Miscellaneous	133,068	68,557
<b>Total Receipts from Exchange Transactions</b>	<b>2,320,403</b>	<b>2,334,271</b>
<b>Note 28-Receipt-Non-Exchange Transaction</b>		
Receipts from WSSP II	-	274,873
Capital Grants	2,257,736	-
National Water Fund	357,199	885,195
Transfer from DONORS/NGOs	-	198,461
Transfer from MoW-DWR	-	76,522
Receipt for Laboratory		175,380
Asset Grants - Monetary	-	103,240
<b>Total</b>	<b>2,614,935</b>	<b>1,713,670</b>
<b>Note 29 - Wages, Salaries &amp; Employment</b>		
Casual Labour	151,461	125,062
Civil Servants Contracts	33,790	73,256

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Honorarium	71,328	31,000
Sitting Allowance	146,820	184,373
Contribution to PSSF	5,180	4,020
Leave Travel	5,432	806
Extra duty	63,731	94,129
Gauge readers	-	-
Subsistence Allowance	-	1,680
Professional Allowances	34,470	34,840
Moving Expenses	208	417
<b>Total</b>	<b>512,420</b>	<b>549,583</b>
<b>Note 30 - Routine Repair and Maintenance</b>		
Electrical Equipment	-	-
Service and Repairs	-	-
Tyres and Batteries	20,381	25,729
Vehicle and Transport	-	-
Outsource maintenance contract services	30,407	33,577
Hard ware and Building Material	189,790	103,271
SmallsTools Equipment	-	-
Fire Protection Equipment	1,803	323
Pipes and Fittings	6,602	3,257
Spare parts	-	-
<b>Total</b>	<b>248,982</b>	<b>166,157</b>
<b>Note 31 - Supply and Consumables</b>		
Supply and consumables		-
Office Consumables (papers, pencils, pens and stationaries)	44,931	27,294
Computer Supplies and Accessories	-	14,938
Advertising and Publication	33,730	117,016
Subscription Fees	13,330	823
Awareness creation	-	18,158
Board expenses	121,228	79,859
Cleaning services	-	-
Outsourcing Costs (includes cleaning and security services)	57,944	58,332

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communication expenses PVT	-	-
Communication Network Services	10,248	800
Computer Supplies and accessories	44,959	-
Electrical bills-TANESCO	11,275	14,521
Entertainment/Hospitality	3,843	2,650
Exhibition, Festivals and Celebrations	6,489	2,370
Donation	19,927	6,700
Conference facilities	5,400	13,850
Diesel	404,897	306,204
Drilling/Hydrogeological Survey	-	-
Borehole Survey	-	-
Air Travel Tickets	2,365	3,412
Ground travel (bus, railway taxi, etc)	11,667	27,907
Ground Transport (Bus, Train, Water)	19,728	10,691
Insurance	236	118
Laboratory Sampling Test	-	-
Office and General Supplies to Govt.	-	-
Office and General Supplies to PVT	-	-
Posts and Telegram	1,459	2,050
Printing and Photocopy	-	-
Rental of Heavy Equipment	127,016	16,000
Rent - Land	3,019	8,373
Security Services	-	-
Training Allowances	9,103	35,611
Training Materials	18,847	22,188
Training expenses	-	-
Tuition Fees	9,550	2,600
Telephone charges	4,358	3,014
Water expenses	4,406	3,119
Sewage Charges and waste disposal	-	780
Musical instruments	516	4,705
Workshop and Forums	-	-
Conservation of Water Sources	21,095	50,085
Stationery	-	-
Internate and Email connection	15,876	11,790
Perdiem Domestic	1,261,729	1,746,734
SmallsTools Equipment	22,922	5,614
Camera	800	7,045

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Food and Refreshment	53,149	81,679
MoW expenses	-	149,250
<b>Total</b>	<b>2,366,043</b>	<b>2,856,278</b>
<b>Note 32 - Operating Expenses</b>		
Burial Expenses	4,734	1,450
Operating expenses, collection and Distribution	-	-
Management expenses	-	-
Other Expenses	7,630	17,493
Bank charges and Commission	2,009	60
Tax levied by another level of government (withholding tax)	9,988	8,691
Consolidate Fund	20,000	20,000
<b>Total</b>	<b>44,361</b>	<b>47,694</b>

**NOTE-33: Reconciliation of Net cash flow from operating activities to surplus/deficit**

	TZS "000"	TZS "000"
Surplus/(Deficit) for the Year	(49,768)	(874,593)
<b>Adjustment for:</b>		
Depreciation	341,180	338,255
Capital grant	-	(103,240)
	291,412	(639,578)
<b>Changes in operating assets and Liabilities</b>		
Decrease in receivable	-90,474	140,973
Increase in Differed Income (Development)	359,939	94,424
Differed Income (Revenue)	-	-
(Decrease)/Increase in Deposit transactions	108,599	22,922
(Decrease)/Increase in payables	18,760	(9,686)
(Increase)/Decrease in inventory	(3,126)	(11,620)
<b>Net Cash Flow from Operating activities</b>	<b>685,110</b>	<b>(357,565)</b>
<b>Net (decrease)/increase in Cash and Cash Equivalent</b>	<b>(685,110)</b>	<b>(402,565)</b>

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<b>NOTE NO.34: PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30TH JUNE, 2023</b>										
<b>CATEGORY</b>	<b>COST</b>					<b>ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT</b>				
<b>ASSETS NAME</b>	<b>COST AT IST JULY,2022</b>	<b>ADDITION MONETARY</b>	<b>ADDITION NON MONETARY</b>	<b>ADJST</b>	<b>COST AT 30TH JUNE, 2023</b>	<b>BALANCE AT IST JULY, 2022</b>	<b>DEPR FOR THE YEAR</b>	<b>ADJST</b>	<b>BALANCE AT 30TH JUNE, 2023</b>	<b>NBV 30TH JUNE, 2023</b>
Land	1,909,000	-	-	-	1,909,000.00	-	-	-	-	1,909,000
Buildings	2,309,300	-	-	-	2,309,300.00	184,744.00	46,186	-	230,930	2,078,370
Motor vehicles	717,195	-	-	-	717,195.28	403,638.00	104,116	-	507,754	209,441
Motor cycle	59,312	-	-	-	59,312.00	8,797.00	4,211	-	13,008	46,304
Furniture & Fittings	162,498	-	-	-	162,498.00	103,998.72	19,500	-	123,498	39,000
Computer Equipments	177,787	15,340	-	-	193,126.94	72,966.00	11,348	-	84,314	108,813
Other Equipments (Materiological and River Gauging Stations)	195,025	-	-	-	195,025.00	77,109.00	18,302	-	95,411	99,614
Boreholes	2,022,315	-	-	-	2,022,315.00	1,374,796.00	137,517	-	1,512,313	510,002
<b>TOTAL</b>	<b>7,552,433</b>	<b>15,340</b>	<b>-</b>	<b>-</b>	<b>7,567,772.22</b>	<b>2,226,048.72</b>	<b>341,180</b>	<b>-</b>	<b>2,567,228</b>	<b>5,000,544</b>

<b>ASSETS NAME</b>	<b>COST AT IST JULY,2021</b>	<b>ADDITION MONETARY</b>	<b>ADDITION NON MONETARY</b>	<b>ADJST</b>	<b>COST AT 30TH JUNE, 2022</b>	<b>BALANCE AT IST JULY, 2021</b>	<b>DEPR FOR THE YEAR</b>	<b>ADJST</b>	<b>BALANCE 30TH JUNE, 2022</b>	<b>NBV 30TH JUNE, 2022</b>
<b>2021/2022</b>										
Land	1,909,000	-	-	-	1,909,000.00	-	-	-	-	1,909,000
Buildings	2,309,300	-	-	-	2,309,300.00	138,558.00	46,186	-	184,744	2,124,556
Motor vehicles	613,955	-	103,240	-	717,195.28	299,522.00	104,116	-	403,638	313,557
Motor cycle	59,312	-	-	-	59,312.00	4,586.00	4,211	-	8,797	50,515
Furniture & Fittings	162,498	-	-	-	162,498.00	137,576.00	16,575	50,152	103,999	58,499
Computer Equipments	114,437	63,350	-	-	177,787.40	61,618.00	11,348	-	72,966	104,821
Other Equipments (Materiological and River Gauging Stations)	168,630	26,395	-	-	95,025.00	58,807.00	18,302	-	77,109	117,916
Boreholes	2,022,315	-	-	-	2,022,315.00	1,237,279.00	137,517	-	1,374,796	647,519
<b>TOTAL</b>	<b>7,359,447</b>	<b>89,745</b>	<b>103,240</b>	<b>-</b>	<b>7,552,432.68</b>	<b>1,937,946.00</b>	<b>338,255</b>	<b>50,152</b>	<b>2,226,049</b>	<b>5,326,384</b>

Accumulated depreciation for the Financial year 2021/22 has been reduced by Tzs 50,152 and eventually net book value increased by the same amount due to review of useful life of noncurrent Assets approaching zero (0) net book value



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<b>Note 35 Receivables Aging Analysis</b>				
<b>Period</b>	<b>Financial year ended</b>		<b>Financial year ended</b>	
	<b>30-Jun-23</b>		<b>30-Jun-22</b>	
	<b>Amount</b>	<b>Percentage to total</b>	<b>Amount</b>	<b>Percentage to total</b>
	<b>'000'</b>		<b>'000'</b>	
More than 1 Year	224,091	83%	180,951	99%
More than 1 Years	47,834	17 %	500	1%
<b>Total</b>	<b>271,925</b>	<b>100%</b>	<b>181,451</b>	<b>100%</b>
<b>Note 36 Payables Aging Analysis</b>				
<b>Period</b>	<b>Financial year ended</b>		<b>Financial year ended</b>	
	<b>30-Jun-23</b>		<b>30-Jun-22</b>	
	<b>Amount</b>	<b>Percentage to total</b>	<b>Amount</b>	<b>Percentage to total</b>
Less than 1 Year	29,518	100%	10,758	100%
More than 1 Year	0	%	0	%
<b>Total</b>	<b>29,518</b>	<b>100%</b>	<b>10,758</b>	<b>100%</b>

**Note 37. Explanation of major variances against the budget**

The annual budget of Pangani Basin Water Board is prepared on cash basis by functional classification. The approved budget covers the period from July 2022 to June 2023. Under the cash basis all planned activities for achievement of service delivery to the community are costed and summed up to arrive at the annual expenditure budget. The annual budget presented is a consolidated budget for the entire Board and is classified based on the nature of expenses. Financial regulations governing Water Board allow the Management to re allocate approved budget from one activity/code/Cost centre to another within the budget. During the period under review, there was no re allocation of budget made due to the realist budget liaised. The comparison of budgeted amount against actual amount si proved below.

The original budget was approved by the Board Finance Meeting and a supplemental appropriation of TZS 37,701,987,317 million was approved by the Full Council . The original budget objectives and policies, and subsequent revisions are explained more fully in

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the Operational Review and Budget Outcomes reports issued in conjunction with the financial statements.

**Income**

The actual income realized during the period ended 30th June, 2023 was TZS 5,297,096,000 against the budget of TZS 10,862,347,000 thus resulting to unfavorable variance of TZS 5,565,251,000

**Expenditure**

The actual expenditure for the period ended 30<sup>th</sup> June, 2023 was TZS 4,582,326,000 against the budget of TZS10,862,347,000 thus resulting to unfavorable variance of of TZS 6,280,021,000 The variance is mainly contributed by non-release of fund resulted to some of the activities not implemented within the financial year 2023.

The budget and the accounting bases differ. The financial statements for the Pangani Basin Board are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget.

**Recasted amounts are as follows:**

Item	Statement of financial performance	Adjustments		Statement of budget Vs actual
		DR	CR	
Revenue from exchange transactions	2,410,877	90,474		2,320,403
Subvention from other Government Entities	2,254,996		359,939	2,614,935
Other Receipt	208,159		108,599	316,758
Wages, Salaries and Employee Benefits	512,420	-		512,420
Supplies and Consumables goods/Service	2,381,677		(15,634)	2,366,043
Routine Repair and Maintenance	248,982	-	-	248,982
Other Operating Expenses	44,361			44,361
Transfer to SLM	1,187,021	-	-	1,187,021
Laboratory expenses	208,159	-	-	208,159

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**1.0 NOTES TO THE FINANCIAL STATEMENTS**

**1.1 GENERAL INFORMION/INTRODUCTION**

The Pangani Basin Water Board is located in Moshi Municipality along Old Moshi Road,  
P.O. Box 7617  
**MOSHI.**

Telephone General line: 027 2752780.  
Direct line: 0272752727, 0739 120 400  
Fax No. 027 2753097,  
Email: [basins@pangani.maji.go.tz](mailto:basins@pangani.maji.go.tz)  
Email: [basins.pangani@panganibasin.go.tz](mailto:basins.pangani@panganibasin.go.tz)

**Bankers:** National Microfinance Bank (NMB),  
Nelson Mandela Branch,  
P. O. Box 1121,  
**Moshi.**

**Basin Director:** Segule Segule A.  
Pangani Basin Water Board,  
P.O.Box 7617,  
**Moshi.**

**Lawyers:** Attorney General

**Auditors:** The Controller and Auditor General,  
The Audit House,  
4, Ukaguzi Road  
P. O. Box 950  
41104 Tambukareli,  
**Dodoma**

**1.2 STATEMENT OF COMPLIANCE**

The financial statements of the Basin have been prepared in accordance with Public Finance Act of 2001 (revised 2004) and comply with the requirements of International Public Sector Accounting Standards (IPSAS), Accrual Basis of Accounting.

**1.3 REPORTING ENTITY**

The financial statements are for Pangani Basin Water Board which is under the Ministry of Water.

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**1.4 BASIS OF PREPARATION**

The financial statements have been prepared on historical cost except for investment properties, land and buildings, financial instruments and available-for-sale investments that have been measured at fair value. The financial statements are presented in Tanzanian Shillings (TZS) and all values are in Tanzania Shillings and fully comply with IPSAS accrual. Also the Financial Statement has been prepared on going concern based. The Authorization date for 2022/23 Financial Statement is 31/08/2023.

**1.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted, which are consistent with those of previous years, are shown below.

**Cash and cash equivalents**

Cash and Cash equivalent in the statement of financial position comprise cash at banks and in hand. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

**Employment benefits**

Employee benefits include salaries, pensions and other related - employment costs. Employee benefits are recognized on accrual basis. The Pangani Basin water Board operates a defined benefit plans. Different plans and contribution rates for employer and employees are detailed below:

No.	Name of the Fund	Employer Contribution	Employee Contribution
1	National Social Security Fund	10%	10%
2	PSSF	15%	5%
3	WCF	2.5%	0% (Government)
		5.0%	0% (private)

Additionally, the Pangani Basin Water Board operate insured (NHIF) plan where contributions are made by the employer and employee, each contributing 3% of gross salary of the respective employee.

**Revenue from exchange transactions**

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the Agency, which represents an increase in net asset/Equity. An inflow of resources from a non - exchange transaction (that means receipt through an exchequer issues notification) recognized as an asset shall be recognized as revenue except to the extent that a liability is also recognized in respect of the same inflow. *Revenue is reduced for estimated customer returns, rebates and other similar allowances.* The following specific recognition criteria must also be met before revenue is recognized:

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**Render of services**

Revenue from the render of services is recognized when all the following conditions are satisfied: The Basin Water Board has transferred to the buyer the significant risks and rewards of ownership of the goods; it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Revenue from non-exchange transactions**

Revenue from non-exchange transactions is governed by IPSAS 23 and mainly comprises taxes and transfers.

Taxes are economic benefits or service potential compulsorily paid or payable to the public sector enterprises, in accordance with laws and/or regulations, established to provide revenue to the Basin. Taxes do not include fines or other penalties imposed for breach of laws.

**Government Grants**

All grants or any other receipt from non- exchange transaction to be recognized in full as revenue and should appear in statement of financial performance unless a liability is also recognized in respect of the same inflow. Revenue is recognized up front as stipulation attached to the transferred funds have been met accordingly, whereas liability is recognized to the part of fund which condition for utilization of the fund were not met should be returned to the Consolidated Fund at the end of year upon failure to satisfy the need as per approved budget.

**Property, Plant and Equipment**

**Initial and Subsequent Recognition**

Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of any replacement parts in accordance with the related recognition criteria. Depreciation is calculated on a straight-line basis over the useful life of the assets.

**Depreciation Policy**

Depreciation is calculated on a straight-line basis over the useful life of the assets, as the Government has adopted straight line method for depreciation of Public Assets which is allocated systematically over the useful life of the respective assets. Depreciation for valuation purpose shall be the adjustment made to the replacement cost to reflect physical deterioration, functional and economic obsolescence.

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**Contingent liabilities**

Pangani Basin Water Board has no contingent liabilities non contingent assets which may under or over stated the Financial Statement for the FY 2022/2023

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**1.6 ESTIMATED USEFUL LIFE (EUL)**

Assets ran an economic life peculiar to themselves depending on make, constant handling and operational use. Some assets are continued in use much beyond the EUL due to periodical maintenance and repairs. Assets expected life are projected in ranges as follows:

<b>Assets Category</b>	<b>Average Useful Life</b>
<b><i>Administration assets</i></b>	Over the lease term
Leasehold land	0
Buildings	50
Plant and machinery	15
Motor vehicles	
▪ Heavy duty (5 tons and above)	10
▪ Light duty (below 5 tons)	5
Motor cycle	7
Computer hardware	4
Furniture and Fixtures	5
Office Equipment's	5
Network system	7
Photographic equipment's	7
Photocopiers equipment	7

**1.7 RISKS MANAGEMENT**

The Basin is subject to number of financial and operational risks, hazards and strategic risks; hence it is responsible for ensuring appropriate risk management strategies and policies are in place within any mandate provided by legislation. The Basin engaged a consultant who have established a risk Management register. Its aim is to reduce and prevent a number of risks in Pangani Basin. Its Implementation has commenced on 01 July, 2022.

**Liquidity risk**

Liquidity risk refers to the loss due to the lack of liquidity preventing quick or cost-effective liquidation products, positions or portfolios. The entity failed to settle some liabilities due to inadequate funds. The Basin has considered unsettled liabilities in the coming financial year budget by increasing the efforts of boosting the revenue collection and has verbal payment agreement with some of the suppliers.

**Credit risk**

Credit risk refers to the loss due to the non-performance by counterparties to discharge an obligation. The Basin subjected to credit risk on receivables once not settled on time.

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**1.8 COMPOSITION OF ACTUAL AND BUDGET AMOUNTS**

The approved budget is developed on the cash basis for the period from 01 July, 2022 to 30 June 2023. Composition of actual and budget amounts comprises approved original and final budget together with actual revenue and expenditure. The budget was approved by Basin Water Board; during the year the Basin has not reached the estimated budget due to the unreleased fund from the Ministry of Water.

**1.9 BASIN WATER BOARD'S POLICIES**

The entity needs to have policies (on property, plant and equipment, payables, receivables and etc.), inventories, standing orders, financial orders and scheme of service. These are used as guidance tools on daily operation of the entity and decision making; some of these tools are in place and others are in formulation. For those policies not in place the entity is using the Government policies, Standing orders, financial orders and scheme of service.

**INTRA ENTITIES TRANSACTIONS**

Pangani Basin Water Board has business transactions with other Government entities, including TANESCO, TTCL, GPSA, Moshi Urban Water and Sanitation Authority, Postal Office etc.

The table below show monthly transactions we made with other entities in our two accounts; Recurrent and WSDP.

**FOR FY 2022/23**

<b>RECRRENT ACCOUNT</b>		<b>WSDP ACCOUNT</b>	
TOTAL JULY	10,604,588.13	TOTAL JULY	19,542,150.00
TOTAL AUGUST	20,598,072.58	TOTAL AUGUST	15,486,657.60
TOTAL SEPTEMBER	6,266,326.40	TOTAL SEPTEMBER	19,502,674.00
TOTAL OCTOBER	33,188,050.81	TOTAL OCTOBER	19,585,988.58
TOTAL NOVEMBER	26,374,319.82	TOTAL NOVEMBER	37,000,000.00
TOTAL DECEMBER	13,781,046.79	TOTAL DECEMBER	5,251,491.02
TOTAL JANUARY	22,119,748.33	TOTAL JANUARY	21,000,000.00
TOTAL FEBRUARY	17,300,598.96	TOTAL FEBRUARY	19,000,000.00
TOTAL MARCH	14,869,379.91	- TOTAL MARCH	-
TOTAL APRIL	12,257,565.02	TOTAL APRIL	-



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TOTAL MAY	13,673,671.00	TOTAL MAY	-
TOTAL JUNE	6,259,641.42	TOTAL JUNE	-
<b>GRAND TOTALS</b>	<b>197,293,009.17</b>	<b>GRAND TOTAL</b>	<b>156,368,961.20</b>

**INTRA INSTITUTION BALANCE SCHEDULES  
FOR THE YEAR ENDED 30th JUNE 23**

DATE	NAME	ACTIVITY	VOICE NO.	PV NO	CHQ NO.	AMOUNT
		TZS	TZS	TZS	TZS	TZS
28/4/2022	Egov Authority	Services	005914/2021/2022	31/7	425416	29,500
30/06/22	GPSA -Moshi	Photocopy papers	Control no.995450256834	0.4285714	425386	1,120,000
28/06/22	TRA	Withholding Tax	Control no. 9921134701	28/7	425413	568,874.65
30/06/22	TTCL	Telephone charges	Control no. 994944098905	32/7	425417	93,168.13
30/06/22	TTCL	Telephone charges		8-Dec	425457	1,333,400
30/06/22	Moshi Urban Water Supply	Water charges		59/8		788,245.35
<b>TOTAL</b>						<b>3,933,188.13</b>