REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE STATEMENT OF RECEIPTS AND TRANSFERS FOR AGRICULTURAL SECTOR DEVELOPMENT PROGRAMME BASKET FUND HOLDING ACCOUNT (A/C No. 9931206251) FOR THE YEAR ENDED 30TH JUNE 2017

Controller and Auditor General,
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November, 2017

AR/ASDP/2016/2017
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1.0 GENERAL INFORMATION

1.1. Mandate
The statutory duties and responsibilities of the Controller and Auditor General are given under Article 143 of the Constitution of the URT of 1977 (revised 2005) and in Sect. 10 (1) of the Public Audit Act No.11 of 2008.

1.2. Vision, Mission and Core Values

Vision
To be a Highly Regarded Institution that Excel in Public Sector Auditing

Mission
To provide High Quality Services that Improves Public Sector Performance, Accountability and Transparency in the Management of Public Resources.

Core Values
In providing quality services, NAO is guided by the following Core Values:
✓ Objectivity: We are an impartial organization, offering services to our clients in an objective and unbiased manner;
✓ Excellence: We are professionals providing the highest quality audit services based on best practices;
✓ Integrity: We observe and maintain the highest standards of ethical behaviour and the rule of law;
✓ People focus: We focus on our stakeholders' needs by building a culture of good customer care and having competent and motivated work force;
✓ Innovation: We are a creative organization that constantly promotes a culture of developing and accepting new ideas from inside and outside the organization and
✓ Best resource utilisation: We are an organisation that values and uses public resources entrusted to it in an efficient, economic and effective manner.

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 on 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 appropriate training, adequate working tools and facilities that promote their independence.

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1.3. Audit Objectives
To obtain reasonable assurance about whether the Statement of Receipts and Transfers as a whole is free from material misstatements whether due to fraud or error and is prepared in accordance with IPSAS-Cash Basis and Memorandum of Understanding and whether laws and regulations have been complied with.

1.4. Audit Scope
The audit was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and other audit procedures as were deemed appropriate under the circumstances. This covered the evaluation of the effectiveness of the financial accounting system and internal control over various activities of the Agricultural Sector Development Programme Basket Fund Holding Account (A/C No. 9931206251).

The audit was conducted on a sample basis; therefore the findings are confined to the extent that records, documents and information requested for the purpose of the audit were made available to me. Audit findings and recommendations arising from the examination of the accounting records, appraisal of the activities as well as evaluation of the Internal Control System which requires management’s attention and actions, are set out in the management letter issued separately to the Agricultural Sector Development Programme Basket Fund Holding.

As auditor, I am not required to specifically search for fraud and therefore, my audit cannot be relied upon to disclose all such matters. However my audit was planned in such a way that I would have reasonable expectations of detecting material errors and misstatements in the financial statements resulting from irregularities including fraud. The responsibility for detection, prevention of irregularities and the maintenance of an effective and adequate system of internal control rests with the management of the Agricultural Sector Development Programme Basket Fund Holding Account (A/C No. 9931206251).

1.5. Audit Methodology
My audit approach included tests of the accounting records and other procedures in order to satisfy the audit objectives. My audit procedures included the following:

- Planning the audit to identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the entity and its environment, including the entity’s internal controls.
- Obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks.
• Form an opinion on the financial statements based on conclusions drawn from the audit evidence obtained.

• Follow up on the implementation of the previous year's audit findings and recommendations and directives issued by PAC to ensure that proper action has been taken in respect of all matters raised.
2.0 AUDIT REPORT ON THE FINANCIAL STATEMENTS

Accountant General,
Accountant General’s Department,
Ministry of Finance and Planning,
1 Madaraka Street,
9111 DAR ES SALAAM.

RE: REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE STATEMENT OF RECEIPTS AND TRANSFERS FOR AGRICULTURAL SECTOR DEVELOPMENT PROGRAMME BASKET FUND (A/C No. 9931206251) FOR THE YEAR ENDED 30 JUNE 2017

Unqualified Opinion
I have audited the Statement of Receipts and Transfers for the Agricultural Sector Development Programme Basket Fund Holding Account (A/C No. 9931206251) and its Supporting Schedules for the financial year ended 30 June 2017.

In my opinion, the Statement of Receipts and Transfers of the Agricultural Sector Development Programme Basket Fund Holding Account (A/C No. 9931206251) present fairly, in all material respects the receipts and transfers for the year ended 30 June 2017 in accordance with the International Public Sector Accounting Standards (IPSAS-Cash Basis of Accounting) and Memorandum of Understanding.

Basis for Opinion
I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Statement of Receipts and Transfers section of my report. I am independent of the Agricultural Sector Development Programme Basket Fund Holding Account (A/C No. 9931206251) in accordance with the ethical requirements that are relevant to my audit of the statement of receipts and transfers in United Republic of Tanzania 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 unqualified opinion.

Responsibilities of the Management and Those Charged with Governance for the statement of receipts and transfers
Management of the Agricultural Sector Development Programme Basket Fund Holding Account (A/C No. 9931206251) is responsible for the preparation and fair presentation of the statement of receipts and transfers in accordance with International Public Sector Accounting Standards (IPSAS-Cash basis) and Memorandum of Understanding, and for such internal control as management determines is necessary to enable the
preparation of the statement of receipts and transfers that are free from material misstatement, whether due to fraud or error. (Annexure I)

Auditor’s Responsibilities for the Audit of the Statement of Receipts and Transfers

My objectives are to obtain reasonable assurance about whether the statement of receipts and transfers as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 ISAs 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 statement of receipts and transfers.

In addition, Sect. 10 (2) of the PAA No.11 of 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Prof. Musa Juma Assi
CONTROLLER AND AUDITOR GENERAL

30TH NOVEMBER 2017

National Audit Office of Tanzania,
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Tel: 255 (022) 2115157/8
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Email: ocag@nao.go.tz
STATEMENT OF RESPONSIBILITY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

I have prepared the Statement of Receipts and Transfers for the Agricultural Sector Development Programme Basket Fund Holding Account (A/C No. 9931206251) for the financial year ended on 30 June 2017.

This Statement of Receipts and Transfers has been prepared in accordance with the provisions of Sect 25(4) of the Public Finance Act. No 6 of 2001 (Revised 2004). The financial statements as required by the said Act are presented in a manner consistent with the International Public Sector Accounting Standards (IPSAS) - Cash basis.

The management of the Agricultural Sector Development Programme Basket Fund Holding Account (A/C No. 9931206251) is responsible for establishing and maintaining an effective Internal Control system designed to provide reasonable assurance that the transactions recorded in the accounts are within the statutory authority and that they contain the receipt and use of all public financial resources by the Agricultural Sector Development Programme Basket Fund Holding Account (A/C No. 9931206251).

To the best of my knowledge, the system of Internal Control has operated adequately throughout the reporting period and that the statement of receipts and transfers and underlying records provide a reasonable basis for the preparation of the financial statements for the financial year ended 30 June 2017.

I accept responsibility for the integrity of the financial statements, the information they contain and their compliance with the Public Finance Act No. 6 of 2001 (revised 2004) and instructions issued by Treasury in respect of the year under review.

Signed by the Accountant General

Date 30/9/2017
3.1 Financial Statement and Notes

**Statement of Receipts and Transfers**

<table>
<thead>
<tr>
<th>NOTE</th>
<th>Amount USD</th>
<th>Amount USD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at July 1, 2016</td>
<td>1</td>
<td>4,218,560.28</td>
</tr>
<tr>
<td>Receipts</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Total Funds Received</td>
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<td></td>
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<tr>
<td>Total Funds Available</td>
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<td>4,218,560.28</td>
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<tr>
<td>Transfers</td>
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</tr>
<tr>
<td>Refund Unutilized to IDA</td>
<td></td>
<td>139,891.21</td>
</tr>
<tr>
<td>Ministry of Agriculture</td>
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<td>145,480.64</td>
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<tr>
<td>Ministry of Agriculture</td>
<td></td>
<td>59,477.50</td>
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<tr>
<td>Total Transfers</td>
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<td>344,849.35</td>
</tr>
<tr>
<td>Balance as at 30th June 2017</td>
<td>4</td>
<td>3,873,710.93</td>
</tr>
</tbody>
</table>

Francis Mwakapalila  
ACCOUNTANT GENERAL

Office of the Controller and Auditor General  
AR/ASDP/2016/2017  7
NOTES TO THE STATEMENT OF RECEIPTS AND TRANSFERS

*Amount: USD*

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>Balance b/d</td>
<td>4,218,560.28</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td><strong>RECEIPTS</strong></td>
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<tr>
<td><strong>3</strong></td>
<td><strong>TRANSFERS</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Refund Unutilized to IDA</td>
<td>139,891.21</td>
</tr>
<tr>
<td></td>
<td>Ministry of Agriculture</td>
<td>145,480.64</td>
</tr>
<tr>
<td></td>
<td>Ministry of Agriculture</td>
<td>59,477.50</td>
</tr>
<tr>
<td><strong>4</strong></td>
<td>Balance c/d</td>
<td>3,873,710.93</td>
</tr>
</tbody>
</table>
### Movement in the Holding Account with the Bank of Tanzania from July 1, 2016 to June 30, 2017

<table>
<thead>
<tr>
<th>DATE</th>
<th>DESCRIPTIONS</th>
<th>AMOUNT IN USD</th>
<th>AMOUNT IN TSHS.</th>
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<td>1-Jul-2016</td>
<td>Balance b/d</td>
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<td><strong>Add: Inflows</strong></td>
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<td></td>
<td><strong>Total Inflows</strong></td>
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<tr>
<td></td>
<td><strong>Funds Available</strong></td>
<td>4,218,560.28</td>
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<td><strong>Less: Outflows</strong></td>
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<td>26-Jan-2017</td>
<td>Refund Unutilized to IDA</td>
<td>139,891.21</td>
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<td>6-Jun-2017</td>
<td>Ministry of Agriculture</td>
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<td>14-Jul-2017</td>
<td>Ministry of Agriculture</td>
<td>59,477.50</td>
<td>132,000,000.00</td>
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<td></td>
<td>Amount transferred to Exchequer Account thereafter to Components</td>
<td>344,849.35</td>
<td>464,823,000.00</td>
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<td></td>
<td><strong>Loss on Exchange</strong></td>
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<td></td>
<td><strong>Fund balance in the holding account as at 30/06/2017</strong></td>
<td>3,873,710.93</td>
<td>8,595,956,302.36</td>
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Notes: Account Balance have been translated at TZS. 2,219.0495 per US$ at 30th June 2017