



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



NATIONAL WATER FUND (NWF)

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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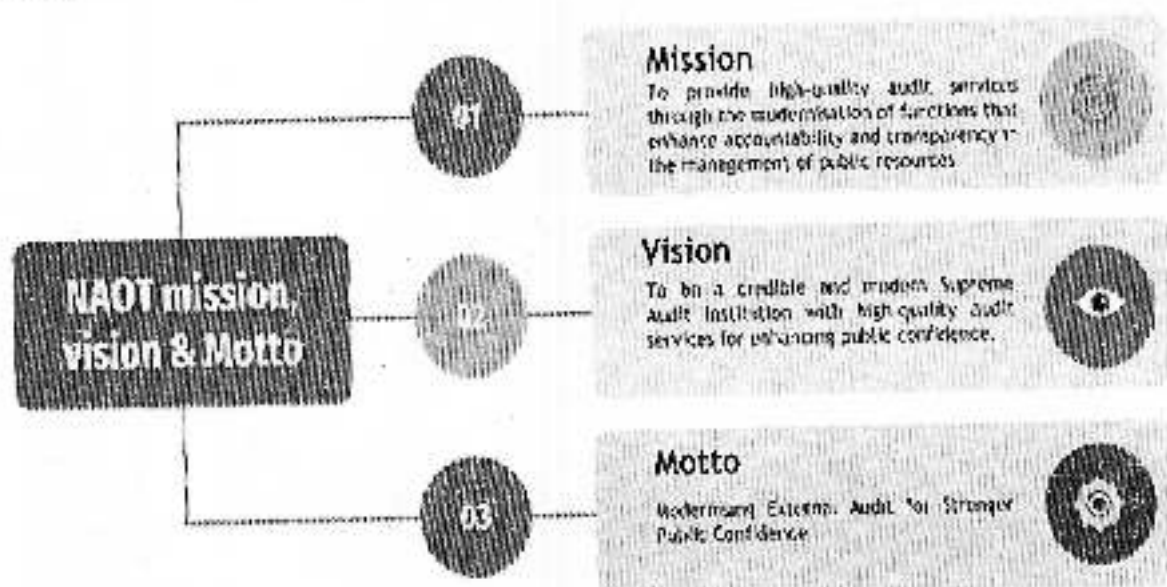
March 2024

AR/CG/NWF/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.



### Independence and objectivity

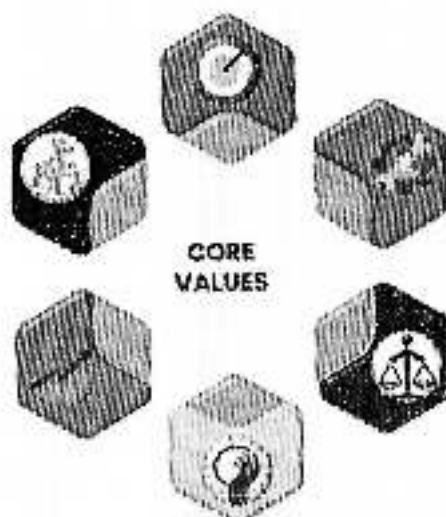
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

### 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 National Water Fund and may form part of the annual general report which once tabled to National Assembly, becomes a public document hence, its distribution may not be limited.

## TABLE OF CONTENTS

Abbreviations .....	iv
1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL .....	1
1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS .....	1
1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS .....	4
2.0 FINANCIAL STATEMENTS .....	6

## Abbreviations

AR	Audit Report
ATCL	Air Tanzania Corporation Limited
BWO	Basin Water Officer
CAG	Controller and Auditor General
CEO	Chief Executive Officer
CG	Central Government
CPA	Certified Public Accountant
DFA	Director of Finance and Account
FY	Financial Year
HIV	Human Immunodeficiency Virus
HPMU	Head of Procurement Management Unit
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
NBAA	National Board of Accountants and Auditors
NWF	National Water Fund
PPA	Property Procurement Act
RUWASA	Rural Water Supply and Sanitation Agency
TZS	Tanzania Shillings
WSDP	Water Sector Development Programme
WSSA	Water Supply and Sanitation Authority
URT	United Republic of Tanzania

## 1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Board of Directors,  
National Water Fund,  
P.O. Box 2204,  
DODOMA, TANZANIA.

### 1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### Unqualified Opinion

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

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

#### Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of the National Water Fund 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.

#### Emphasis of Matter

I draw attention to the matter below. My opinion is not modified concerning this matter.

**Long Outstanding Accounts Receivable from the Ministry of Water TZS 939,777,602**  
I draw attention to Notes 67 and 103, which disclose the balance of Other Receivables from the Ministry of Water which has been outstanding for a long time, thus necessitating the National Water Fund to start deducting directly at source from

amounts of administrative and operational costs disbursed to the Ministry of Water. The balance of Other Receivables from the Ministry of Water as at 30 June 2023 was TZS 939,777,602.

I am concerned about the settlement of this receivable taking into consideration that the National Water Fund has been settling expenses on behalf of the Ministry of Water without contractual arrangements. The absence of contractual arrangements raises a concern about the recoverability of the receivables in question.

#### **Key Audit Matters**

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

#### **Other Information**

Management is responsible for the other information. The other information comprises the Report by Those Charged with Governance, statement of management responsibility, Declaration by the Head of Finance and 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.
- 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 our 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 benefits of such communication.

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

Further, Section 48(3) of the Public Procurement Act, Cap 410 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 National Water Fund for the financial year 2022/23 as per the Public Procurement laws.

#### **Conclusion**

Based on the audit work performed, I state that procurement of works, goods and services of National Water Fund is generally in compliance with the requirements of the Public Procurement laws.



### 1.2.2 Compliance with the Budget Act and other Budget Guidelines

#### **Subject matter: Budget formulation and execution**


I performed a compliance audit on budget formulation and execution in the NWF for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

#### **Conclusion**

Based on the audit work performed, I state that, except for the matter described below, Budget formulation and execution of NWF is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

#### **Budgeted funds paid to unrelated activities TZS 68,406,000**

I found that the National Water Fund transferred TZS 35,000,000 to DAWASA through payment voucher number ONWF0000V2300456 dated 08 March 2023 as a contribution for the 2023 Water Week exhibition which was not budgeted for the year 2022/23. I further noted that TZS 33,406,000 that was budgeted for quarterly and extraordinary board meetings for the financial year 2022/23 was allocated to activities that were not originally planned or budgeted for. This makes the total of unbudgeted activities of TZS 68,406,000.

  
Wendy W. Massey  
Ag. Controller and Auditor General,  
Dodoma, United Republic of Tanzania



March 2024

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**2.0 FINANCIAL STATEMENTS**

**REPORT OF THOSE CHARGED WITH GOVERNANCE OF THE NATIONAL WATER FUND  
FOR YEAR ENDED 30 JUNE 2023**

**BACKGROUND**

The Secretariat on behalf of the Board of the National Water Fund (NWF) has the pleasure to submit this report, together with the Financial Statements for the year ended 30 June 2023 which disclose the state of affairs of the Fund.

NWF is established under the Water Supply and Sanitation Act No. 05, 2019 as a public entity under the Ministry of Water responsible for the mobilization of financial resources necessary to support investment in projects for water supply provisions and management of catchment areas. The establishment of the Fund was a strategic decision made by the Government to address the challenge of stable and reliable availability of funds for the implementation of water projects. It is also an initiative to implement policy directives of improving financial resource mobilization stipulated under the National Water Policy 2002 (NAWAP0).

In discharging the aforementioned responsibilities, the day to-day functions of the Fund are carried out by the Secretariat of the Fund which is headed by the Chief Executive Officer and the oversight mandate is vested to the Board of the Fund.

**VISION, MISSION AND MAIN**

**FUNCTIONS Vision**

To be a reliable and sustainable source of financing in the water sector.

**Mission**

To effectively mobilize and allocate funds to Implementing Agencies for improved provision of water services and conservation of water catchment areas."

**Core Values**

The core values of the NWF are fundamental norms, which identify the character of the employees and the fund at large. The agreed core values of the Fund are:

**(i) Integrity**

All staff will demonstrate honest, strong moral and ethical principles at work; and treat stakeholders with trust that brings efficiency so as to meet Fund's objectives.

**(ii) Accountability**

The Fund will demonstrate the state of obligation to accept responsibilities assigned and liabilities. It will also value the ability of the staff and honor

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

commitment to stakeholders and ensure staff takes ownership of all activities and promptly correct mistakes when they occur.

**(iii) Customer Focus**

Customer focus strongly contributes the overall success of the business. The Fund will focus on quality management to meet customer requirements and always strive to exceed customer expectations.

**(iv) Transparency**

The Fund should perform its activities with openness.

**(v) Teamwork**

Staff of the Fund will work collaboratively, using their individual expertise and skills in order to achieve the Fund's goal.

**(vi) Results Oriented**

The staff of the Fund will focus on achieving the goal rather than concentrating on how the tasks are done.

**Functions of NWF**

In accordance with section 56 of the Water Supply and Sanitation Act (supra), the functions of the National Water Fund are:

- a) Mobilize financial resources necessary for the fulfilment of its objectives under this Act;
- b) Disburse funds to implementing agencies for the purpose of execution of water projects;
- c) Issue loans on favorable terms, to implementing agencies for investments in water service provisions;
- d) Monitor the use of the funds disbursed to implementing agencies;
- e) Facilitate capacity building of implementing agencies to improve and enhance their ability in execution and management of water projects;
- f) Recommend to the Minister guidelines for issuance of loans to water authorities; and
- g) Develop operational guidelines on the issuance of loans and grants to implementing agencies.

**Composition of the NWF Board**

The Board of the National Water Fund is composed of seven members i.e. Chairman, representatives from the Ministry of Finance, the Ministry of Water, and the Ministry responsible for PORA/G. Others are representatives from the private sector and a member knowledgeable in either, economics, project investment, or finance from outside the public sector.

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

On 05 May 2023, the President of the United Republic of Tanzania appointed the new Board chairman of National Water Fund. The rest of the five (5) Board members were appointed by the Minister of Water since last financial year. The Board started working with effect from 27<sup>th</sup> June 2023 as stipulated under section 12(1) of the Water Supply and Sanitation Act.

**CORPORATE GOVERNANCE**

The Board is responsible for the governance of the Fund by ensuring that the Fund complies with the law, standards of the corporate governance and business ethics. The Board takes overall responsibility of managing the Fund, including effective and efficient implementation of various activities such as financial resource mobilization, disbursement of the funds to the implementing agencies and monitoring of funds utilization.

Also, the Board approves plans and budgets as well as advises the Minister on efficient allocation of financial resources. The powers and duties of the Board are laid out under the provisions of Regulations 8 and 9 of the National Water Fund Regulations GN. No. 981 of 2019. Thus, the Board of NWF hereby confirms that:

- (i) Suitable accounting policies have been adopted and applied consistently.
- (ii) The International Public Sector Accounting Standards (IPSAS) have been adhered to in preparing the financial statements.
- (iii) The Fund keeps proper books of accounts and accounting records, which disclose with reasonable accuracy, all the financial transactions, assets and liabilities.
- (iv) The Fund maintains adequate system of Internal controls and takes reasonable steps for the prevention and detection of fraud, errors and other irregularities.
- (v) The Fund has prepared the financial statements, which the Board believe reasonably disclose the financial position of the entity.
- (vi) Fund will not remain a going concern for at least twelve months from the date of this month.

**Committees of the National Water Fund**

In order to discharge its functions, the Board has three (3) committees namely: "Audit Committee; Planning and Administrative Committee" and Finance & Resource Mobilization Committee. The Board is expected to execute its duties and responsibilities in line with the Finance Act, Circulars and other directives. The Board shall continue to discharge its duties and responsibilities in order to ensure good governance and proper management of public resources as stipulated under the Water Supply and Sanitation Act No. 05, 2019.



**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Internal Audit**

Regulation 28 of the Public Finance Act, Cap. 348 requires the Accounting Officer to establish an effective Internal Audit Unit. The Internal Audit Unit is required to appraise the soundness and application of accounting financial and operational controls within the Entity. The NWF operational and Accounting Manual has stipulated that there shall be an Internal Audit Unit that will undertake set of internal Audit activities by reviewing and appraising all operations of the Fund. The status and powers of the internal audit functions should conform to internationally accepted standards. During the reporting period the NWF uses Internal Audit from the Ministry.

**Audit Committee**

Regulation 30 of the Public Finance Regulations, 2001 [R.E. 2004] requires the Fund to establish the Audit Committee.

**Objectives of the Committee**

The committee's objective is to assist the Accounting Officer to enhance internal control by fulfilling stewardship, leadership and control responsibility in managing resources of the Fund. Responsibilities and duties of Audit Committees is stipulated in Regulation 32(a)-(g) of the Public Finance Regulations 2001.

The objectives are carried out by ensuring that audit functions are performed adequately and effectively, and there are adequate internal control systems, proper ways of investigating and addressing problems resulting from internal control weaknesses, suitable policies and procedures to prevent fraud and irregularity, and suitable mechanism that can allow internal Audit recommendations to be fully addressed by management.

The Committee meets at least once every quarter, however when the needs arise, the chairman can make a call for meeting. In the year under review the Committee manage to review internal audit report prepared by Internal Auditor of the Fund.

**Procurement Management Unit**

Section 37(1) of the Public Procurement Act, Cap 410 requires the Fund to establish the Procurement Management Unit (PMU). However, during the reporting period, NWF used Procurement Management of the Ministry.

**NWF Tender Board**

Section 31 of PPA, 2011 requires a public body to establish a Tender Board for procurement of goods, services, works and disposal of assets. The NWF Tender Board shall be appointed by the CEO to oversee the procurement activities in the Fund as required by Act No. 7 of the Public Procurement Act, Cap 410 [R.E 2022]. Though the Funds Tender Board has not been formed yet, NWF currently use the Ministerial Tender Board.

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Functions of the Ministerial Tender Board**

The Tender Board approves the use of tenders or alternative methods of procurement subject to the Public Procurement Regulations, receives tenders and holds tender openings in public, reviews tender evaluations and recommendations made by departments, and, where appropriate authorizes/awards contracts.

**Management Structure**

The Institutional framework of National Water Fund is comprised of the Minister at the apex, the Board of the Fund and the Secretariat. According to this set up, NWF the oversight role is vested to the Board which is comprised of such members to be appointed by the Minister responsible for Water. The qualities, qualifications, number and tenure of office for such Members shall be as stipulated under the Water Supply and Sanitation Act No. 05, 2019 and the National Water Fund Regulations GN. No. 981 of 2019,

The day-to-day affairs and dealings of the Fund are executed by its executive organ known as "the Secretariat of the Fund" which is managed by the Chief Executive Officer who is appointed by the Board in consultation with the Minister responsible for Water.

During the year under review, the Board has delegated the day-to-day operations of the Fund to the Interim Secretariat comprising of an acting management team led by Acting CEO of the Fund, thirteen (13) Officers of different professional and Seven (7) supporting staff. The Team is made up of Seven heads of units as shown in the table below:

Name	Position	Qualification	Period served
Mr. Haji M. Nandule	Ag. Chief Executive Officer	LLM (Com and Corp).	February 2016 to June 2023
Ms. CPA Nafisa H. Twalib	Ag. Director of Finance and Accounts	CPA, PGTM & ADA	September 2019 to June 2023
Ms. Noema Cornelio	Ag. Director of corporate services	MA (HRM)	February, 2016 to June 2023
Eng. Peter Kishiwa	Ag. Director of Project Appraisal and Resource Mobilization	MSc. Engineering (Water Resources)	August, 2022 to June 2023
Ms. Peace Kilundu	Internal Auditor	Bachelor of Accounting and Finance	March 2021 to June 2023
Mr. Omani M. Omani	HPMJ	Diploma in Procurement Supply and Logistic Management (DPLM)	March 2022 to June 2023



**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

Name	Position	Qualification	Period saved
Mr. Henry P. Mchome	FICT	Advance Diploma in Networking Engineering (ADNE)	July 2020 to June 2023

**Charitable and Political Donations**

During the year under review, the Fund has not contributed to any social events or political parties as a donation.

**Employees' Welfare**

**a. Health Policy (Medical Expenses)**

The Fund Interim Secretariat together with their spouse and a maximum number of four children were availed free medical expenses through the National Health Insurance (NHIF) Scheme which is deducted from their monthly salary paid by Permanent Secretary of the Ministry.

**b. Training**

The Fund will continue to provide training to the Board and its employees whenever the need arises. However, during the reporting period the Fund sponsored two (2) Staff to undertake

Master's Degree. One staff is pursuing Master's Degree in Project Planning, Monitoring and Evaluation at the Institute of Rural Development Planning Dodoma and another staff is pursuing Masters of Science in Finance and Investment at the Institute of Accountancy Arusha. In addition, the Fund sponsored one (1) staff to study a Bachelor Degree in Information Technology. The Fund continued to offer workshop and seminars on HIV Aids and Corruption at work place.

**c. Relationship between Management and Employees**

There was continued good relations between employees and Management for the year ended 30 June 2023. There were no unresolved complaints received by Management.

**d. Emoluments**

Employees' emoluments include salaries, housing, telephone, electricity transport, extra duty and leave allowances. During the year extra duty and leave allowances have been paid to employees entitled for the allowance stated above.

**e. Employee Benefits**

No any other benefits that accrued to employees during the year as the fact that relevant documents including Scheme of Service & Salary Structure, Staff

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

Regulations, Financial Regulations, and Accounting Manual which enable employees to receive benefits are still in the process of being approved at the relevant Authorities.

**f. Gender Parity**

The Fund as an equal opportunity employer, it embraces diversity and inclusion at work place aiming at bringing together experiences and perspectives arising from different culture, religion, heritage, age, gender and other characteristics. As at 30 June 2023, the Fund had a total number of 21 employees; out of which 7 being female and 14 were males.

**Directors' Remuneration**

During this year, the Fund did not pay Directors fees to Board members because they were appointed after the end of financial year and the first meeting was conducted on 24 August 2023.

**Related Party Transactions**

NWF is a wholly owned entity of the government. The government, through the Board significantly influences the roles of the Fund as well as being its major financier. In some cases, the Fund is mandated by the Act to transact with other government owned Urban Water Authorities (WSSAs), RUWASA, MDAs, entities and state-owned enterprises related to water sector.

**Pending Litigations**

Management of the NWF certifies that as of 30 June 2023 there was no pending litigations opened against NWF as regards to legal claims. Likewise, that poses no risks to the continuation and daily operations of the Fund.

**Future Development**

By using strengths in place including Policies, Laws, Regulations and available human and financial resources, NWF will continue to implement its core responsibilities, NWF will ensure appropriate initiatives that lead and contribute to achievement of the target of increasing rural water supply coverage to 85% by year 2023 being a proportion of rural population with access to clean and safe water.

THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

**Statutory Auditors**

The Controller and Auditor-General (CAG) is the statutory auditor of the Fund pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977, Section 9 - 12 of the Public Audit Act, Cap.418 and Water supply and Sanitation Act of 2009 Section 46 (2) clarifies that the Controller and Auditor General is a Statutory Auditor for the Fund.



Eng. Abdallah Mkufunzi  
NWF BOARD CHAIRMAN

Date: 22/03/2024

THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

**STATEMENT OF MANAGEMENT RESPONSIBILITY ON FINANCIAL STATEMENTS**

Management of the National Water Fund is responsible for the preparation of these Annual Financial Statements for the year ended 30 June 2023, which give a true and fair view of the entity's state of affairs and its operating results by International Public Sector Accounting Standards (IPSAS) on Accrual Basis, in conformity with the provision of the Public Finance Act Cap 348, Section 30 (2) (as revised in 2020). This responsibility includes; designing, implementing and maintaining internal controls relevant to the preparation and presentation of 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.

Procurement of goods, works, consultancy and non-consultancy services to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act, 2011 (Amendment Act, 2016 and Regulations, 2013 Amendment Regulations, 2013 Cap 410. The Management accepts the responsibility for the integrity of these financial statements, the information they contain and their compliance with the Public Finance Act, 2012 (revised in 2020) Cap 348 and its Regulations;

International Public Sector Accounting Standards (IPSAS) Accrual's basis; and Guidelines issued from time to time by Paymaster General and Accountant General. Management is taking responsibility for building confidence in 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.



Haji Nandule  
Chief Executive Officer

Date:

22/3/2024



THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

INTRODUCTION

The National Water Fund (NWF) was initially established under the Water Supply and Sanitation Act No 12 of 2009 (Section 44 (1)) and come into operation in 2006. Currently NWF is governed by water supply and sanitation Act No 5, 2019. The main intent of establishing National Water Fund was to mobilize financial resources necessary for implementation of water projects as well as monitoring and evaluation of those utilized funds by implementing agencies. The Fund so far supports Rural Water Supply and Sanitation Agency (RUWASA), Water Supply and Sanitation Authorities (WSSAs) and Basin Water Boards (BWBs) as its implementing agencies.

According to sections 59 (1) of the Water Supply and Sanitation Act, No 5, 2019, the Fund shall establish an executive organ of the Fund to be known as the "Secretariat of the Fund" which shall be composed of the *Chief Executive Officer* and such other staff as may be necessary for proper functioning of the Fund.

The financial statements for the period ending 30 June 2023 are prepared under the requirement of Section 30(4) of the Public Finance Act, Cap. 348. The report comprehensively reviews the physical and financial achievements of The National Water Fund.

IMPLEMENTATION OF THE FUND STRATEGIC PLAN AND BUDGET FOR THE YEAR 2022/23

During the financial year 2022/23, National Water Fund planned to fund a number of projects in Mainland Tanzania to achieve its objectives. In this financial year, the Fund estimated to receive TZS 175,912,837,000.00 from its source which currently is the fuel levy of TZS 50 from every liter of Diesel and petrol charged and deposited to the account of NWF pursuant to the Finance Act No. 16 of 2015. National Water Fund had collected a total of TZS 117,025,126,131.00 which is equivalent to 66.52% of the projection.

The approved budget for the financial year 2022/23 was TZS 175,912,837,000.00 and National Water Fund spent TZS 113,801,887,509.00 (equivalent to 64.69%) to meet its plans and targets.

The revenue and expenditure trend analysis for two financial years is as summarized in Table 1 and Table 2 hereunder:

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Table 1: Comparison of Revenue Collection for 2021/22 and 2022/23**

Financial Year	Approved Estimates	Actual Collection	Performance
2021/22	175,912,837,000.00	179,518,053,003.28	102.05%
2022/23	175,912,837,000.00	117,025,126,131.03	66.52%

**Table 2: Comparison of Expenditure for 2021/22 and 2022/23**

Financial Year	Approved Estimates	Actual Expenditure	Performance
2021/22	175,912,837,000.00	166,306,997,536.07	94.54 %
2022/23	175,912,837,000.00	113,801,887,509.00	64.69%

**The key achievements during this reporting period were recorded as follows: -**

Since its inception to June 2023 the NWF had managed to mobilize financial resources to a tune of TZS 1,162,639,771,910.09 for financing water projects in Tanzania mainland. About 1863 water projects including 1306 water supply projects in rural areas, 432 water supply and sanitation projects in urban areas and 125 projects on water resources conservation received finance from the fund. This has contributed to the improved water supply coverage to 88% in urban areas and 77% in rural areas.

Inclusively in the FY 2022/23, a total of 367 water projects were financed. Among the financed projects, 103 projects are completed and operational and 264 projects are ongoing at different stages.

**Focus of the fund: -**

In striving to fund water projects, NWF will seek to explore the opportunity of engaging more partners to further its objectives. The Fund intends to foster cooperation with all key stakeholders both local and international who will assist the fund in mobilizing financial resources required to improve water services provisions in areas with inadequate water supply services coverage and conservation of water resources.

With the financial resources ring-fencing mechanism, NWF expects to attract considerable number of funding stakeholders to join hand with the fund with the ultimate goal of improving access to clean and safe water and boost the social economic welfare to the community.

In this financial year 2022/23 the Fund lounged its loan window on favorable terms to water authorities pursuant to section 44(4) and 56(c) of water supply and sanitation Act, 2019. This Loan Scheme helps water authorities to boost social economic welfare to the community water utilities to access fund on favorable terms for execution of water projects in their service areas.



**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**EMPLOYEES WELFARE**

National Water Fund recognizes the significance of improving the welfare of its staff and has all along facilitated staff welfare programs like sports and training. The Workers Union is well recognized and normally their views and concerns which always are channeled in Workers Council are acknowledged and considered in reaching decisions. Also, employees are kept closely involved in major changes affecting them, through meetings, briefings, and internal communication.

**CHALLENGES**

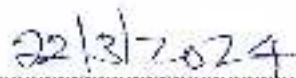
Despite the achievements reached in improving water projects as stated above, the Fund was constrained by a number of drawbacks including receiving more requests for grants than the Fund's ability to provide grants. For the Financial Year 2022/23 the Fund failed to Finance 9 Projects compared to 94 Projects for the year 2021/22. In response to this challenge, NWF has begun looking for other sources of revenue to increase the scope of grant funding.

**CONCLUSION**

I would like to extend my special thanks to fellow employees of National Water Fund for working diligently together as a team towards the achievements of the objectives of the Fund. I deeply appreciate the efforts made by the Board of Trustees and staff, both individually, and as a cohesive unit.



Haji M. Nandule  
CHIEF EXECUTIVE OFFICER



Date

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**DECLARATION OF THE HEAD OF FINANCE OF NATIONAL WATER FUND**

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration Act, No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of 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 as under the statement of Board Responsibility on an earlier page.

I, CPA Nafisa H. Twalib being the Head of Finance of the National Water Fund, here by acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance with applicable IPSAS accrual basis accounting standards and statutory requirements.

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

Signature:

Signed by:

(Name)

Position:

NBAA Membership No:

Date:

CPA NAFISA HAMIS TWALIB

NB

Ag. Director of Finance

GA 5373

22/03/2024

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**COMMENTARY ON THE FINANCIAL STATEMENTS**

**Introduction**

This part of the report provides insight and narrative information in regard to financial results and performances recorded during the financial year 2022/23 for National Water Fund. The Fund consistently continued to implement its core responsibilities that lead to achieve the target of increasing rural water supply coverage comprehensively aligned with vision, mission, objectives, and targets of the Fund.

Fund allocated its resources in the areas of priorities based on planned activities focusing on adhering to the national strategic priority areas; nevertheless, some of the projects/activities were not fully implemented due to the under release of the funds. However, carryover was requested to the Paymaster General for the unspent balance that had capital commitment and operations of the Fund.

**Subvention from the Ministry of Water**

The transfer done by the Ministry to the Fund for the year ended 30 June 2023 and transferred to the Fund was TZS 117,025,126,131.11 whereas TZS 179,518,053,003.28 was received in the year ended 30 June 2022, which shows a decrease of 34.81% the decrease caused by the Delay releasing of Funds for the year under review and other economic factors as compared to the financial year 2021/22.

**FINANCIAL POSITION**

The financial position comprises of assets and liabilities of the National Water Fund. As at 30 June 2023 the Fund has net assets of TZS 2,081,531,195 with total assets of TZS 27,331,852,622 and total liabilities of TZS 25,250,321,427 net assets have decreased by TZS 200,337,896 comparing to 30 June 2022 which was TZS 2,281,869,091.

**ASSETS**

Major line items of assets in this financial statement comprised the following:

**i. Cash and cash equivalent**

The amount of cash and cash equivalent as at 30 June 2023 was TZS 25,249,232,804 compared to TZS 22,025,994,183 as at 30 June 2022. The deferred revenue will be recognized in the year 2023/24 as revenue.

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**ii. Receivables**

The balance of receivables as at 30 June 2023 was TZS 1,277,067,702 compared to TZS 1,507,259,598 as at 30 June 2022.

**iii. Prepayments**

The balance of prepayments as at 30 June 2023 was TZS 127,561,305 compared to TZS 163,042,841 as at 30 June 2022.

**iv. Property Plant and Equipment**

As 30 June 2023, Fund hold significant fixed assets which include Motor vehicles, Container, Office furniture and fixtures, Computer Hardware and Office equipment and Land with a total carrying amount of TZS 677,988,811 compared to TZS 641,808,551 for the year ended 30 June 2022.

**LIABILITIES**

The Major line items on the liabilities side of the financial position comprise the following:

**i. Differed Income**

For the year ended 30 June 2023, NWF has recorded deferred Subvention of TZS 25,249,232,704 whereas deferred Subvention (recurrent) and deferred Subvention (capital) of TZS 143,239,301.90 and TZS 25,105,993,502.82 respectively compared to TZS 21,052,155,963.21 as deferred income (Capital) and TZS 973,838,220.29 as deferred income (Revenue) for the year 2021/22.

**ii. Payables and Accruals**

For the year ended 30 June 2023, NWF has recorded TZS 1,088,623 as payable amount while for the year ended 30 June 2022 TZS 30,241,899 was recorded as outstanding payables. The decrease in payables by TZS 29,153,276 is due to reduced unpaid services for the year 2022/23 as compared to previous year.

**NET ASSETS**

The taxpayer's fund remained unchanged/static TZS 341,403,119.00 as per circular number 2 of 2018/19, the movement of equity will be through a surplus or deficit account.

**FINANCIAL PERFORMANCE**

**Surplus / (Deficit)**

For the year ended 30 June 2023, the Fund has recorded a Deficit of TZS 200,337,896 compared to the previous year 2021/22 recorded a Surplus of TZS 358,284,265.



**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Wages, Salaries and Employee Benefits**

These items comprise of salaries and other personal allowances such as Electricity, House allowance, leave travel, moving expenses, Medical & Dental refunds, Utilities, Sitting allowances and other allowances. During the period ended 30 June 2023 NWF incurred TZS 314,829,196 compared to TZS 251,121,300.00 incurred during the financial year ended June 2022.

**Use of goods and Services**

The National Water Fund incurred a total amount of TZS 1,272,834,471 compared to TZS 1,065,023,943 for the year 2022/22 to facilitate expenditure on supplies and consumable goods. The reported figure has slightly increased as compared to 2021/22 due to increase of activities implemented during the year 2022/23.

**Transfer Payments**

During the reporting period, total amount of TZS 111,482,021,755 was transferred for water projects to Rural Water Supply and Sanitation Agency (RUWASA), Urban Water Supply Authorities, and Basin Water Boards, while in the previous year TZS 164,288,461,717.92 were transferred for development of Water projects. The decrease in amount was caused by undisbursed funds from the Treasury for November and December 2023 allocations, while May and June 2023 allocations were disbursed in other Financial Year 2023/24.

**Other Expenses**

The National Water Fund records showed TZS 892,409,102 amount as other expenses for the year ended 30 June 2023 compared to TZS 124,511,100 amount for the year ended 30 June 2022.

**Depreciation**

The amount of depreciation charged for the year 2022/23 was TZS 149,708,556 compared to TZS 151,098,039 of the year ended 2021/22. The decrease amount of TZS 32,363,246 is caused by revision of useful life of Fixed Assets.

**Maintenance Expenses**

NWF reported TZS 45,291,141 as the amount of maintenance expenses for the year 2022/23 compared to TZS 68,497,174 of 2021/22. The decrease by TZS 23,206,033 was caused by purchasing of more spare parts in the previous year which were not paid for.

**Cash Flow from Operating Activities**

During the year 2022/23, NWF had an opening balance of TZS 22,025,994,182.00 and total receipts for the year of TZS 117,025,126,131.11 which make a total

25

**THE UNITED REPUBLIC OF TANZANIA**  
**MINISTRY OF WATER (VOTE 49)**  
**NATIONAL WATER FUND FINANCIAL**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

of TZS 139,051,120,313.11 as Cash flow from operating activities, these funds were transferred to Implementing Agencies for the implementation of water projects as well as to meet current obligations of the Fund such as purchase of supplies and consumables, wages, and salaries with a total of TZS 113,801,887,508.39 which resulted in net cash flows of the TZS 25,249,232,804.72.

**Cash flow from Investing Activities**

For the year ended 30 June 2023, Fund used TZS 152,989,000 in investing activities for the purchase of Four Laptops, three office Tables, and one Motor Vehicle in order to facilitate a good working environment, compared to TZS 569,370,301 for 2021/22. The difference was due to the Purchase of two Office Motor vehicles and land during the previous year 2021/22.

**CONCLUSION**

The National Water Fund continues to improve financial management and it has complied with IPSAS accrual basis during the reporting period for the year ended 30 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.



Haji M. Nandule  
CHIEF EXECUTIVE OFFICER

Date:

22/3/2024



**THE UNITED REPUBLIC OF TANZANIA**  
**MINISTRY OF WATER (VOTE 49)**  
**NATIONAL WATER FUND FINANCIAL**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 JUNE 2023**

	Note	2022/23 TZS	2021/22 TZS Restated
<b>ASSETS</b>			
Current Asset			
Cash and Cash Equivalents	62	25,249,232,804	22,025,994,183
Receivables	67	1,277,067,702	1,507,259,598
Prepayments	69	177,562,306	153,042,841
<b>Total Current Asset</b>		<b>26,653,863,812</b>	<b>23,696,296,622</b>
Non-Current Asset			
Property, Plant and Equipment	77	677,988,811	641,808,551
<b>Total Non-Current Asset</b>		<b>677,988,811</b>	<b>641,808,551</b>
<b>TOTAL ASSETS</b>		<b>27,331,852,663</b>	<b>24,338,105,173</b>
<b>LIABILITIES</b>			
Current Liabilities			
Payables and Accruals	109	1,080,623	30,741,899
Deferred Income	94	25,249,232,804	22,025,994,183
<b>Total Current Liabilities</b>		<b>25,250,321,427</b>	<b>22,056,736,082</b>
Non-Current Liabilities			
<b>Total Non-Current Liabilities</b>		<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>		<b>25,250,321,427</b>	<b>22,056,736,082</b>
<b>Net Assets</b>		<b>2,081,531,196</b>	<b>2,281,369,091</b>
<b>NET ASSETS</b>			
Capital Contributed by:			
Taxpayers Fund		341,403,119	341,403,119
Accumulated Surpluses / Deficits		1,740,128,076	1,940,465,972
<b>TOTAL NET ASSETS/EQUITY</b>		<b>2,081,531,195</b>	<b>2,281,869,091</b>

Eng. Abdallah Mkufunzi  
 BOARD CHAIRMAN


Date

Haji M. Kandute  
 CHIEF EXECUTIVE OFFICER


**THE UNITED REPUBLIC OF TANZANIA**  
**MINISTRY OF WATER (VOTE 49)**  
**NATIONAL WATER FUND FINANCIAL**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2023**

Classification of Expenses by Nature		2022/23	2021/22
REVENUE	Note	TZS	TZS
Revenue			
Subvention from other Government entities	32	113,956,756,325	166,306,997,536
<b>Total Revenue</b>		<b>113,956,756,325</b>	<b>166,306,997,536</b>
<b>EXPENSES AND TRANSFERS</b>			
Expenses			
Wages, Salaries and Employee Benefits	34	314,829,195	251,121,300
Use of Goods and Service	35	1,272,834,471	1,065,023,943
Maintenance Expenses	36	45,791,141	68,497,174
Depreciation of Property, Plant and Equipment	77	149,708,556	151,098,036
Other Expenses	52	892,409,102	124,511,100
<b>Total Expenses</b>		<b>2,675,072,466</b>	<b>1,660,251,553</b>
Transfer			
Grants and Transfers	59	111,482,021,755	164,278,451,718
Other Transfers	60	0	10,000,000
<b>Total Transfer</b>		<b>111,482,021,755</b>	<b>164,288,461,718</b>
<b>TOTAL EXPENSES AND TRANSFERS</b>		<b>114,157,094,221</b>	<b>165,948,713,271</b>
<b>Surplus / (Deficit)</b>		<b>(200,337,896)</b>	<b>358,284,265</b>

  
 Eng. Abdallah Mkufunzi  
 BOARD CHAIRMAN

22/03/2024  
 Date

  
 Haji M. Nandule  
 CHIEF EXECUTIVE OFFICER

**THE UNITED REPUBLIC OF TANZANIA**  
**MINISTRY OF WATER (VOTE 49)**  
**NATIONAL WATER FUND FINANCIAL**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**STATEMENT OF CHANGES IN NET ASSET AND EQUITY FOR THE PERIOD ENDED 30 JUNE 2023**

Tax Payer's Fund TZS	Accum. Surplus/(Deficit) TZS	Foreign Currency Revaluati on TZS	Fair Value Reserve TZS	Deferre d Tax Reserve TZS	Definc Benefit Reserve TZS	Other Reserve TZS	Minority Interest TZS	Revaluati on Surplus TZS	Total TZS
Opening Balance as at 01 Jul 2022	341,403,119	0	0	0	0	0	0	0	2,281,869,091
Surplus/ Deficit for the Year	0	0	0	0	0	0	0	0	(200,337,896)
Closing Balance as at 30 Jun 2023	341,403,119	0	0	0	0	0	0	0	2,081,531,195
Opening Balance as at 01 Jul 2021	341,403,119	0	0	0	0	0	0	0	1,923,584,826
Surplus/ Deficit for the Year	0	0	0	0	0	0	0	0	358,284,263
Closing Balance as at 30 Jun 2022	341,403,119	0	0	0	0	0	0	0	2,281,869,091



Eng. Abdallah Makufuni  
BOARD CHAIRMAN



Haji M. Nandule  
CHIEF EXECUTIVE OFFICER

22/01/2024

Date

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**CASHFLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2023**

		2022/23 TZS	2021/22 TZS
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>Note</b>		
<b>RECEIPTS</b>			
Subvention from other Government entities	95	117,025,126,131	179,518,053,003
Revenue Grants		0	0
<b>Total Receipts</b>		<b>117,025,126,131</b>	<b>179,518,053,003</b>
<b>PAYMENTS</b>			
Wages, Salaries and Employee Benefits	96	315,597,096	250,353,400
Use of Goods and Service	97	1,013,527,252	1,105,803,843
Other Transfers	102	0	10,000,000
Other Expenses	99	762,163,844	124,511,100
Maintenance Expenses	58	75,588,763	58,197,174
Grants and Transfers	101	111,482,021,755	164,178,461,719
<b>Total Payments</b>		<b>113,648,898,510</b>	<b>165,737,627,235</b>
<b>NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES</b>		<b>3,376,227,621</b>	<b>13,780,425,768</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Investing Activities</b>			
Advance Payment for Acquisition of Property Plant and Equipment		121,969,000	154,668,816
Acquisition of Property, Plant and Equipment	77	31,020,000	414,501,485
<b>Total Investing Activities</b>		<b>152,989,000</b>	<b>569,370,301</b>
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES</b>		<b>152,989,000</b>	<b>569,370,301</b>
<b>Net Cash Increase</b>		<b>3,223,238,621</b>	<b>13,211,055,467</b>
Cash Surrendered to Holding Account		0	0
Cash and cash equivalent at the beginning of the period		22,025,994,183	8,814,538,716
Cash and cash equivalent at the end of the period		25,249,232,804	22,025,994,183

  
Eng. Abcailah Mkufunzi  
BOARD CHAIRMAN

22/03/2024  
Date

  
Haji M. Nandule  
CHIEF EXECUTIVE OFFICER



**THE UNITED REPUBLIC OF TANZANIA**  
**MINISTRY OF WATER (VOTE 49)**  
**NATIONAL WATER FUND FINANCIAL**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

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

	Budgeted Amount		Final Budget (B)	Actual Amount on Comparison Basis (A)	Difference Final Budget & Actual (B-A)
	Original Budget	Reallocations/ Adjustments			
	TZS	TZS	TZS		
<b>RECEIPTS</b>					
Subvention from Other Government Entities	147,938,830,581	(17,025,993,581)	175,912,837,000	117,025,125,131	58,887,710,869
Revenue Grants	0	0	0	0	0
<b>Total Receipts</b>	<b>147,938,830,581</b>	<b>(17,025,993,581)</b>	<b>175,912,837,000</b>	<b>117,025,125,131</b>	<b>58,887,710,869</b>
<b>PAYMENTS</b>					
Wages, Salaries and Employee Benefits	429,168,000	11,097,000	440,265,000	315,507,006	124,757,994
Use of Goods and Service	1,097,587,200	755,953,000	2,153,540,200	1,013,047,303	1,140,492,897
Other Transfers	10,000,000	100,000,000	0	0	0
Other Payments	5,151,673,006	(72,000,000)	5,079,673,006	762,163,944	4,317,509,062
Maintenance Expenses	345,063,000	(10,000,000)	299,000,000	75,568,763	223,431,237
Grants and Transfers	188,905,771,680	(22,391,751,581)	166,514,020,099	111,487,001,755	55,026,918,344
Advance Payment for Acquisition of Property Plant and Equipment	0	0	0	0	0
Acquisition of Property, Plant and Equipment	1,225,650,595	199,200,000	1,417,850,595	152,989,000	1,264,861,595
<b>Total Payment</b>	<b>197,938,830,582</b>	<b>(17,025,993,581)</b>	<b>175,912,837,000</b>	<b>113,801,887,510</b>	<b>62,110,949,490</b>
<b>Net Receipts/Payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,223,238,621</b>	<b>(3,223,238,621)</b>

ABG/CGR/W/2022/73

Controller and Auditor General

**THE UNITED REPUBLIC OF TANZANIA**  
**MINISTRY OF WATER (VOTE 49)**  
**NATIONAL WATER FUND FINANCIAL**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

RECONCILIATION OF ACTUAL AMOUNT ON A COMPARABLE BASIS BETWEEN STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AND STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

DESCRIPTION	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	TOTAL
Actual Amount on comparable Basis as presented in the Statement of Comparison of Budget and Actual Basis Differences	113,648,898,510	152,989,000	0	113,801,887,510
-Paid Staff Claims	0	0	0	0
-Paid Supplies and Services Claims	0	0	0	0
Timing Differences	NA	NA	NA	NA
Entity Differences				
Actual Amount in the Statement of Cash Flows	113,648,898,510	152,989,000	0	113,801,887,510



**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2023**

**1. GENERAL INFORMATION**

**Establishment of NWF**

The National Water Fund is established under Water Supply and Sanitation Act No. 5 of 2019 with the Objective of providing Investment support for water service provision and the management of catchments areas serving water supply abstraction, in areas of Mainland Tanzania which are without adequate water service.

National Water Fund discharges its functions under the umbrella of Ministry of Water.

The principal activities of National Water Fund are mobilization of resources, disbursement and monitoring of utilization of funds set aside for implementation of water projects from Rural Water Supply and Sanitation Authority, Urban Water Supply and Sanitation Authorities and Basin Water Boards.

The administrative aspects of the Fund, such as establishment of the Secretariat to execute day to day functions of the Fund, are provided for in the National Water Fund Regulations GN. No. 981 of 2019. Also, the NWF Operation Guideline outlines a number of issues including mechanisms for selection of water projects to be financed by the Fund. National Water Fund office and address of its principal place of business is:

**PLACE OF BUSINESS**  
NAOT BUILDING,  
13 MATEMA BEACH STREET,  
UHINDINI,  
DODOMA.

**BANKERS**  
Bank of Tanzania, JAKAYA KIKWETE  
ROAD,  
P.O BOX 2303,  
DODOMA.

**LAWYER**  
Attorney General,  
P.O BOX 630, Sheria  
Street, Government  
City, DODOMA.

**BANKERS**  
National Microfinance Bank (NMB)  
Safina,  
Opposite Akapa House,  
DODOMA.

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**CHIEF EXECUTIVE OFFICER,**  
Haji M. Nandule,  
National Water Fund,  
P.O Box 2204,  
15 Mwendeni Street, Uhindini,  
DODOMA.

**AUDITORS**  
Controller and Auditor General, National Audit  
Office,  
Audit House,  
4 Ukaguzi Road  
P.O Box 950,  
41104 Tambukareli,  
DODOMA.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **Basis of Financial Statements Preparation**

The financial statements have been prepared on historical cost basis (except stated otherwise) in accordance with International Public Sector Accounting Standards (IPSAS).

### **Authorization date**

The authorised date for issue of Financial Statements to the Public is after receiving opinion from the Controller and Auditor General and the report being tabled to the Parliament.

### **Going Concern**

Nothing has come to the attention of the Board to indicate that the Fund will not remain a going concern for at least twelve months from the date of this statement. Therefore, the Financial Statements continue to be prepared on a going concern basis.

### **Statement of Compliance**

The financial statements of the Fund have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) under accrual basis as issued by the International Public Sector Accounting Standard Board (IPSASB) as well as Public Finance Act, Cap. 348, Water Supply and Sanitation Act No. 5 of 2019 and other directives/Circulars from Treasury. The accounting policies adopted, which are consistent with those of previous years, are shown below.

### **Foreign currency translation Functional and Presentation Currency**

The functional currency of NWF, which is also its presentation currency, is Tanzania Shillings and all values are rounded to the nearest Shilling except when otherwise indicated. Items included in the financial statements of the Fund are measured using

30

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

the currency of the primary economic environment in which the Entity operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings (TZS), which is the Fund functional and presentation currency.

**Transactions and balances**

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

**Cash and cash equivalents**

Cash and Cash equivalent in the statement of financial position comprise cash at banks

and cash in hand and short-term deposits with an original maturity of three months or less, and is measured at amortized cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**Revenue from non-exchange transactions**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. IPSAS 23 which requires inflow of resources from a non-exchange transaction to be recognized both as revenue and as an asset, except to the extent that a liability also is recognized in respect of the same inflow. Generally, IPSAS 23 requires all grants or any other receipt from non-exchange transaction to be recognized in full as revenue and should appear in the statement of financial performance unless a liability is also recognized in respect of the same inflow.

**Other transfers**

Other transfers include fees, fines, penalties, licenses, gifts, donations (including goods-in-kind), and transfers from other government entities. These are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Fund; and the fair value of the asset can be measured reliably. Services-in-kind are not recognized as revenue, but are disclosed in the financial statements. However, during the year there were no any services in kind received by the Fund from various Institutions.

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**COMPARATIVES**

There is comparative information so as to ensure consistency with the current period and prior due to the fact that it is a third year of operation. previous year's balance have been regrouped whenever appropriate for comparison purposes as further clarified to the commentary to the notes.

**PAYABLES**

Payables are obligation to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. During the reporting period the Fund had payable of TZS 1,088,623.48.

**Advances and other receivables**

Receivables are disclosed in the Financial Statements at original historical cost. Bad debts are written-off, with the approval of the Board when identified and are reflected in the Statement of Losses. During the year there was imp rest taken of the total amount of TZS 337,290,100 that retired after the closure of the financial year.

**Taxpayers Fund**

These are monies public funds which include all resources collected and spent by the government in various infrastructures such as schools, hospitals, water systems, roads, railways and many other strategic projects for the main purpose of satisfying individual or collective needs for its citizen or create future benefits to its citizens.

Taxpayers' funds are a term adopted by the government to represent initial residual value or capital. Accordingly, taxpayers' funds are expected to be static after the lapse of the transitional period in the financial year 2016- 2018 of which the Government was establishing its initial capital after migrating from cash basis of accounting. The movement of equity will be through surplus or deficit account and may be positive or negative

**Property, plant and equipment**

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 estimated useful life of the assets. The annual rates of depreciation which have been consistently applied are as in the table below:

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

ASSET CATEGORY	AVERAGE USEFUL LIFE (YEARS)	EQUIVALENT PERCENTAGE (%) OF DEPRECIATION
Administration Assets		
Furniture and fixture	5	20%
Computer (Desktop and laptops)	4	25%
Office equipment	5	20%
Motor Vehicles (Light duty (below 5 tons))	5	20%

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of financial performance in the year the asset is derecognized.

The residual values, useful lives and methods of depreciating property, plant and equipment are reviewed, and adjusted if appropriate, at each financial year end. When each major inspection is performed, its cost is recognized in the carrying amount of property, plant and equipment as a replacement if the recognition criteria are satisfied.

#### **PARTY TRANSACTIONS AND DISCLOSURES**

IPSAS 20 - Related Party Disclosures stipulates that Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions. For NWF key management includes; CEO, heads of departments and Units and their close relatives.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. There were no transactions with key management personnel during the year apart from monthly salaries leave passage and gratuities paid at the end of contract.

#### **Events after reporting date**

There were no events to report on after reporting date.

#### **Judgments**

In the process of applying the Entity's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements:

Determination of the useful lives of property, plant and equipment Management



**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

uses Accounting Circular No. 1 of 2018/18 (Para.7) as reasonable judgment in determining the useful lives and hence depreciation rates of the items of property, plant and equipment.

**Capital Management**

The Fund capital is its Taxpayers' funds which comprise accumulated surplus/deficit and other reserves.

Equity is represented by net assets: The objective of managing these items is to achieve sustainable equity, which is a principle promoted in the Act and applied by the Fund.

Sustainability of equity requires today's taxpayers to meet the costs of utilizing the Fund's assets and not expecting them to meet the full cost of long-term assets that will benefit Taxpayers in future generations

**Risk Management**

The Fund is facing number of events that threaten attainment of its objectives. The risks are mitigated and addressed as and when they occur. A major risk is Operational Risks faced by Fund due to its mandate and obligations. Since which consequently stands in great chances of being involved in misuse of resources allocated for daily operations

**Financial Management**

Financial management risks relate to the availability of adequate funding for the operations. The chief risk in this area is that demand for services might put excessive pressure on budget. Risks encompassing the entire scope of general financial management. Potential factors to consider include; Cash flow adequacy and management thereof; financial losses; Wasteful expenditure; Budget allocations; Financial statement integrity; and increasing operational expenditure.

**Environment Risk**

Risks related to the Fund economic environment. Factors to consider include Inflation and Foreign exchange fluctuations.

**Political environment Risk**

Risks emanating from political factors and decisions that have an impact on the WSDP's mandate and operations, possible factors to consider include: political pressure; Local, Provincial and National elections.

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Contract management Risk**

Risks related to the sector projects dependence on the performance of the Contractor, Consultant or Service provider. Risk in this regard could be that there is the likelihood that a service provider might not perform according to the service level agreement entered into with a Fund. Non-performance could include: Outright failure to perform; Not rendering the required service in time; Not rendering the correct service; and Inadequate/ poor quality of performance.

**Procurement Risk**

Risks relating to material resources, possible aspects to consider include Availability of material; Costs and means of acquiring/ procuring resources; and the wastage of material resources and the Controls in place are transparency, identification of needs, development of specifications, contract documents, contract negotiation, contract management, evaluation of offers, identification preferred suppliers and selection of procurement methods e.g. NCB, ICB, single source.

**People Capability Risk**

Capability risks relate to the ability of our staff to deliver consistently high- quality services to all our clients. The Mitigating action are Continue to recruit staff with the appropriate qualifications, skills and experience; continue to implement strategy for building capability. Our focus on learning and development assists staff in gaining the qualifications and skills necessary for their roles.

**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 Fund does not face any liquidity risk as it has sufficient funds to cover its working capital needs for the foreseeable future.

**Legal claims**

Management certifies that as of 30 June 2023, the Fund had no contingent liability as regards legal claims.

**Guarantees**

The Fund has not guaranteed its employees against the loans from various financial institutions, where the Fund will have to pay these financial institutions in case the employees are unable to repay their debts.

The approved budget is developed and approved on the Cash basis from 1 July 2022 to 30 June 2023 whereas the Financial Statements are prepared on Accrual basis as per IPSAS 24 on the Presentation of Budget information in Financial Statements

**THE UNITED REPUBLIC OF TANZANIA**  
**MINISTRY OF WATER (VOTE 49)**  
**NATIONAL WATER FUND FINANCIAL**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2023**

	2022/23	2021/22
<b>109 - Payables and Accruals</b>		
Maintenance and services of motor vehicles	823,623	29,473,999
Staff claims - Annual leave	0	767,900
Posts and telegrams	265,000	0
	<b>1,088,623</b>	<b>30,241,899</b>
<b>32 - Subvention from other Government entities</b>		
Government Grant Development Local	82,185,989,356	164,288,461,717
Subvention for Other Charges	31,615,898,153	2,018,535,818
Motor vehicle	154,868,816	0
	<b>113,956,756,325</b>	<b>166,306,997,536</b>
<b>34 - Wages, Salaries and Employee Benefits</b>		
Court Attire Allowance	0	370,000
Electricity Allowance	10,750,000	0
Extra-Duty	153,490,000	75,640,000
Food and Refreshment	28,084,430	0
Honoraria	50,000,000	96,000,000
Housing allowance	26,000,000	0
Leave Travel	7,077,400	9,252,900
Medical and Dental Refunds	300,000	437,000
Sitting Allowance	27,300,000	69,421,400
Telephone Allowance	2,600,000	0
Uniform Allowance	9,227,366	0
	<b>314,829,196</b>	<b>251,121,300</b>
<b>35 - Use of Goods and Service</b>		
Advertising and Publication	33,532,470	21,896,100
Air Travel Tickets	2,411,510	2,174,100
Catering Services	2,910,000	4,928,000
Communication Network Services	23,272,000	0
Computer Supplies and Accessories	4,360,000	6,273,024
Conference Facilities	40,530,000	17,800,000
Diesel	89,104,106	88,863,288
Electricity	4,000,000	6,300,000
Entertainment	13,500,000	22,674,548
Exhibition, Festivals and Celebrations	14,750,000	7,630,000
Food and Refreshments	209,874,970	146,820,000
Gifts and Prizes	1,100,000	1,000,000
Ground travel (bus, railway taxi, etc)	6,152,635	13,705,000
Internet and Email connections	27,885,086	26,000,428
Mobile Charges	0	3,150,000

36

**THE UNITED REPUBLIC OF TANZANIA**  
**MINISTRY OF WATER (VOTE 49)**  
**NATIONAL WATER FUND FINANCIAL**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2023**

Office Consumables (papers, pencils, pens and stationaries)	120,714,124	108,678,491
Outsourcing Costs (includes cleaning and security services)	14,449,200	16,585,000
Pur Diem - Domestic	566,446,945	504,574,500
Posts and Telegraphs	465,000	233,300
Printing and Photocopying Costs	15,700,000	12,166,000
Printing Material	0	4,890,000
Remuneration of Instructors	12,600,000	7,300,000
Sewage Charges	0	211,000
Software License Fees	5,928,740	0
Subscription Fees	1,162,500	16,450,935
Telephone Charges (Land Lines)	7,730,460	256,191
Training Materials	10,575,000	1,070,000
Tuition Fees	26,250,600	15,094,775
Uniforms	6,500,000	7,368,000
Valuation of NCA	10,000,000	0
Water Charges	929,125	931,526
	<b>1,272,834,471</b>	<b>1,065,023,943</b>
<b>36 - Maintenance Expenses</b>		
Motor Vehicles and Water Craft	7,000,000	30,437,174
Spare Parts	33,037,375	28,060,000
Tyres and Batteries	5,253,766	10,000,000
	<b>45,291,141</b>	<b>68,497,174</b>
Audit fees	140,000,000	75,839,100
audit supervision expenses	53,129,223	34,490,000
consultancy fees	30,000,000	0
Contingencies Item	529,279,879	14,182,000
	<b>892,409,102</b>	<b>124,511,100</b>
<b>59 - Grants and Transfers</b>		
ARUSHA WSSA (AUWSA)	3,025,000,000	5,968,535,712
BARIADI WSSA (BARUWASA)	250,000,000	728,349,505
BUKOBA WSSA (BUWASA)	1,070,526,531	1,697,081,438
Dares Salaam Water Supply Authority (DAWASA)	1,345,411,499	927,916,992
DODOMA WSSA (DUWASA)	2,550,000,000	3,765,056,781
IRINGA WSSA (IRUWASA)	1,400,820,000	4,023,145,360
LINDI WSSA (LUWASA)	1,040,990,231	4,999,016,332
MBEYA WSSA (MBEYA UWASA)	2,533,037,872	3,977,214,859
Morogoro WSSA (MORUWASA)	688,725,601	1,202,406,374
Moshi Urban Water Supply	0	1,189,072,373
MOSHI WSSA (MUWSA)	2,199,999,994	840,593,102
MPANDA WSSA (MPUWASA)	847,930,000	1,258,921,357
MTWARA WSSA (MTUWASA)	550,000,000	2,743,905,618

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2023**

MUSOMA WSSA(MUWASA)	1,210,138,751	4,957,117,966
Mwanza Water Supply Authority	0	418,321,235
MWANZA WSSA(MWUWASA)	2,110,000,000	2,396,247,000
SHINYANGA WSSA(SHUWASA)	1,605,394,182	673,801,975
SINGIDA WSSA(SUWASA)	2,256,335,890.15	636,503,544
Songea Urban Water Supply	598,064,704	360,081,689
SUMBAWANGA WSSA(SUWASA)	1,188,707,331	1,648,156,591
Tabora Water Supply Authority	350,000,000	0
TANGA WSSA (TANGA UWASA)	1,757,843,213	1,972,559,484
Vwawa-Mlwa Water Supply and Sanitation Authority	367,106,601	150,000,000
Arusha Water Supply Authority (AUWSA)	0	200,000,000
Babati Water Supply and Sanitation Authority (BAWASA)	1,913,362,598	3,163,772,103
Contribution to the Ministry of Water	8,830,125,014	10,876,385,807
Geita Water Supply and Sanitation Authority (Geita WSSA)	393,785,783	1,602,254,087
Handeni Trunk Main (HTM) Water Authority	1,009,324,371	2,342,466,810
Internal Drainage Basin Water Board (IDBWB)	1,753,413,343	873,400,000
Iringa Water Supply Authority (Iruwasa)	0	701,889,921
Kahama Water Supply Authority (Kuwasa(KH))	0	250,000,000
Kigoma Water Supply and Sanitation Authority (Kigoma WSSA)	647,490,000	1,116,715,978
Lake Nyasa	792,775,567	1,003,389,701
Lake Rukwa	100,000,000	673,148,192
Lake Victoria	1,124,892,352	3,568,880,413
Makondeko National Project	207,447,150	1,341,570,413
Mera Water Supply Authority (Muwasa)	0	120,000,000
Mbeya Water Supply Authority (Mbeya Uwsa)	0	100,000,000
Mto Ruvuma	966,873,082	1,619,811,340
Mugango Klabakari	0	693,369,955
Njombe Water Supply Authority (Njowasa)	708,122,660	0
Pangani	317,198,750	630,517,655
Rufiji	383,393,758	2,611,001,241
Rural Water Supply and Sanitation Agency	48,607,385,937	145,315,729



**THE UNITED REPUBLIC OF TANZANIA**  
**MINISTRY OF WATER (VOTE 49)**  
**NATIONAL WATER FUND FINANCIAL**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2023**

Shinyanga Water Supply Authority (SHUWASA)	0	120,000,000
Transfer to RUWASA	9,993,795,507	78,752,552,374
Wami Ruvu	550,000,000	485,570,423
Water Basin Boards	2,901,028,920	3,658,877,291
Ziwa Tanganyika	739,574,565	871,565,000
	111,482,021,756	164,178,461,718
<b>60 - Other Transfers</b>		
Contribution to CF (15%)	0	10,000,000
<b>62 - Cash and Cash Equivalents</b>		
Deposit General Cash Account	581,250	0
Development Expenditure Cash Account	25,245,147,253.72	21,052,155,963
Recurrent Expenditure Cash Account	3,239,302	973,838,220
Unapplied Cash Account	265,000	0
	25,249,232,804.72	22,025,994,183
<b>67 - Receivables</b>		
Imprest Receivable	337,290,100	80,827,400
Other receivables	939,777,602	1,413,082,198
	1,277,067,702	1,513,909,598
<b>69 - Prepayments</b>		
Prepayments - Assets	121,968,999	154,868,816
Prepayments - Consumables	5,594,306	8,174,025
	127,563,305	163,042,841
<b>94 - Deferred Income</b>		
Opening balance	22,025,994,187	8,814,938,715
Receipts during the year	117,025,126,131	179,518,053,003
Total funds available for the year	139,051,120,313	188,332,991,718
Payments during the year	(113,801,887,509)	(166,306,997,536)
Closing balance	25,249,232,704	22,025,994,183
Deferred Income - Recurrent	3,239,402	973,838,220
Deferred Income - Capital	25,245,993,402	21,052,155,962
	25,249,232,804	22,025,994,182

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2023**

**77 PROPERTIES, PLANT AND EQUIPMENT**

**PROPERTIES, PLANT AND EQUIPMENT**

PARTICULARS COST	LAND AND BUILDING	OFFICE FURNITURE TZS	MOTOR VEHICLES TZS	OFFICE EQUIPMENT TZS	COMPUTER (Desktop & Laptops)	40 FEET CONTAINER TZS	TOTAL TZS
As At 1st July 2022	128,678,243.00	87,096,774.17	564,150,236.64	158,185,691.61	170,893,186.44	12,444,333.00	1,071,737,621.86
Accretional (Inventory)	0	13,000,000.00	0	0	18,020,000.00	0	31,020,000.00
Accretional (Non-Monetary)	0	0	154,958,816.00	0	0	0	154,958,816.00
Transfer (Disposal)	0	0	0	0	0	0	0.00
Closing Balance	128,678,243.00	100,086,274.17	719,019,042.64	158,185,691.61	170,913,186.44	12,744,333.00	1,257,626,437.86
DEPRECIATION							
Accumulated	0	42,096,570.31	282,007,119.36	56,858,797.76	45,808,583.33	1,768,200.00	425,929,071.76
Depreciation	0	0.00	0.00	0.00	0.00	0	-
Adjustment as per review exercise	0	0.00	0.00	0.00	0.00	0	-
Charges for the year	0	14,474,709.14	97,614,813.00	24,514,296.81	25,314,191.36	289,499.00	149,706,555.93
As At 30 June 2023		57,566,129.45	347,617,832.96	81,773,194.57	57,822,774.71	1,467,595.00	521,637,626.69
CARRYING AMOUNT							
As At 30 June 2023	128,678,243.00	42,570,144.77	347,401,109.63	77,012,497.04	71,090,411.73	11,286,403.00	677,988,811.17

Controller and Auditor General

AR/C/G/NNF/2022/723

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WATER (VOTE 49)  
NATIONAL WATER FUND FINANCIAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

PARTICULARS COST	LAND AND BUILDING	OFFICE FURNITURE TZS	MOTOR VEHICLES TZS	OFFICE EQUIPMENT TZS	COMPUTER (Desktop & Laptop)	40 FEET CONTAINER TZS	TOTAL TZS
As At 1st July 2021	0	74,297,011.17	385,923,848.82	133,871,091.61	50,437,186.44	12,744,000.00	557,376,137.04
Add: Initial (Monetary)	128,678,243.00	12,789,264.00	179,225,177.82	21,371,600.00	30,456,000.00		474,461,484.82
Transfer: (Disposal)	0	0	0.00	0	0	0	0.00
Closing Balance	128,678,243.00	87,086,274.17	564,150,226.64	155,185,691.61	120,893,186.44	12,744,000.00	1,071,737,621.85
DEPRECIATION							
Accumulated Depreciation	0	33,332,763.21	192,941,974.47	29,476,777.22	22,717,250.00	913,320.00	278,831,134.84
Charges for the year	0	9,758,107.10	89,087,794.95	27,432,530.36	74,591,323.23	954,883.30	151,399,035.92
Transferred w/ Vehicles			0.00				0.00
As At 30 June 2022	0	63,060,373.31	282,022,119.36	56,058,991.76	49,808,583.33	1,168,200.00	429,959,076.76
CARRYING AMOUNT							
As At 30 June 2022	128,678,243.00	43,995,903.86	282,167,107.28	101,326,893.85	74,084,603.11	11,575,800.00	641,808,551.10

**NOTE:**

The depreciation, accumulated depreciation and carrying amount for the year 2021/22 has been restated from revising the useful life of assets and correction of errors in the financial year 2022/23 as per requirement of the Public Assets Management Guideline of 2019 and the Treasury Circular No. 6 of 2018/19. Refer Note 10/6 for the analysis of the affected components of the financial statements

**95 - Subvention from other Government entities**

Government Grant Development	117,025,126,131	179,518,053,003
Local		
	<b>117,025,126,131</b>	<b>179,518,053,003</b>

**96 - Wages, Salaries and Employee Benefits**

Court Attire Allowance	0	370,000
Electricity Allowance	10,750,000	0
Extra-Duty	153,490,000	75,640,000
Food and Refreshment	28,084,430	0
Honoraria	50,000,000	96,000,000
Housing allowance	26,000,000	0
Leave Travel	7,845,300	8,485,900
Medical and Dental Refunds	300,000	437,000
Sitting Allowance	27,300,000	69,421,400
Telephone Allowance	2,600,000	0
Uniform Allowance	9,227,366	0

**97 - Use of Goods and Service**

Advertising and Publication	35,805,800	21,896,100
Air Travel Tickets	1,254,710	2,174,100
Catering Services	2,910,000	4,928,000
Communication Network Services	23,272,000	0
Computer Supplies and Accessories	7,928,435	6,273,074
Conference Facilities	35,980,000	17,800,000
Diesel	82,263,196	88,863,788
Electricity	4,000,000	6,300,000
Entertainment	13,500,000	22,674,548
Exhibition, Festivals and Celebrations	3,500,000	7,630,000
Food and Refreshments	106,994,970	124,799,637
Gifts and Prizes	1,100,000	1,000,000
Ground travel (bus, railway taxi, etc)	4,582,635	13,705,000
Internet and Email connections	27,541,086	36,800,478
Mobile Charges	0	3,150,000
Office Consumables (papers, pencils, pens and stationaries)	5,746,300	158,678,491
Outsourcing Costs (includes cleaning and security services)	14,449,200	16,585,000
Per Diem - Domestic	512,787,680	504,574,500
Posts and Telegraphs	465,000	233,300
Printing and Photocopying Costs	(4,145,000)	12,166,000
Printing Material	0	4,890,000
Remuneration of Instructors	9,600,000	9,300,000
Sewage Charges	0	211,000
Software License Fees	5,928,740	0
Subscription Fees	1,162,500	16,450,935
Telephone Charges (Land Lines)	7,730,460	256,191
Training Materials	75,669,615	1,070,000
Tuition Fees	25,330,600	15,094,775
Uniforms	6,500,000	7,368,000

Water Charges	929,125	931,526
	1,013,527,052	124,799,637
<b>98 - Maintenance Expenses</b>		
Motor Vehicles and Watercraft	7,000,000	30,437,174
Spare Parts	63,334,997	28,060,000
Tyres and Batteries	5,253,766	10,000,000
	75,588,763	68,497,174
<b>99 - Other Expenses</b>		
Audit fees	0	75,839,100
audit supervision expenses	62,883,965	34,490,000
consultancy fees	30,000,000	0
Contingencies Item	669,279,879	14,182,000
	762,163,844	124,511,100
<b>101- Grants and Transfers</b>		
ARUSHA WSSA (AUWSA)	3,025,000,000	5,988,535,712
RARIADI WSSA(BARUWASA)	250,000,000	728,349,505
BUKOBWA WSSA(RUWASA)	1,020,526,531	1,697,081,418
Dar es Salaam Water Supply Authority (DAWASA)	1,345,411,499	927,916,992
DODOMA WSSA(DUWASA)	2,550,000,000	3,765,056,781
IRINGA WSSA(IRUWASA)	1,400,820,000	4,023,145,360
LINDI WSSA(LUWASA)	1,040,990,231	4,999,016,332
MBEYA WSSA (MBEYA UWSA)	2,533,037,872	3,977,214,859
MOROGORO WSSA(MORUWASA)	688,725,601	1,202,406,374
Moshi Urban Water Supply	0	1,189,072,373
MOSHI WSSA(MUWASA)	2,199,999,994	840,593,102
MPANDA WSSA(MUWASA)	847,930,000	1,258,921,357
MTWARA WSSA(MUWASA)	550,000,000	2,743,905,618
MUSOMA WSSA(MUWASA)	1,210,138,751	4,857,117,966
Mwanza Water Supply Authority	0	618,321,235
MWANZA WSSA(MWAUWASA)	2,110,000,000	2,396,247,000
SHINYANGA WSSA(SHUWASA)	1,605,394,182	673,801,975
SINGIDA WSSA(SUWASA)	2,256,335,890.15	636,503,544
Songea Urban Water Supply	598,064,704	360,083,689
SUMBAWANGA WSSA(SUWASA)	1,188,707,331	1,648,156,591
Tabora Water Supply Authority	550,000,000	0
TANGA WSSA (TANGA UWASA)	1,757,843,213	1,972,559,484
Vwawa-Mlowa Water Supply and Sanitation Authority	367,106,601	150,000,000
Arusha Water Supply Authority (Auwsa)	0	200,000,000
Babati Water Supply and Sanitation Authority (BAWASA)	1,913,362,598	3,163,772,103
Contribution to the Ministry of Water	8,830,125,014	10,876,385,807
Gelta Water Supply and Sanitation Authority (Gelta WSSA)	395,785,783	1,602,254,087
Handeni Trunk Main (HTM) Water Authority	1,009,324,371	2,342,466,810



Internal Drainage Basin Water Board (IDBWB)	1,755,413,343	873,400,000
Iringa Water Supply Authority (Iruwasa)	0	701,889,921
Kahama Water Supply Authority (Kuwasa (KH))	0	250,000,000
Kigoma Water Supply and Sanitation Authority (Kigoma WSSA)	647,490,000	1,116,715,978
Lake Nyasa Basin Water Board	792,775,567	1,003,389,701
Lake Rukwa Basin Water Board	100,000,000	673,148,192
Lake Victoria Basin Water Board	1,124,892,352	3,568,880,413
Makondeko National Project	207,447,150	1,341,570,413
Mara Water Supply Authority (Mwawasa)	0	120,000,000
Mbeya Water Supply Authority (Mbeya Uwas)	0	100,000,000
Ruvuma Basin Water Board	966,873,082	1,619,811,340
Mugango Kiabakari	0	695,369,956
Njombe Water Supply Authority (Njowasa)	708,122,660	0
Pangani Basin Water Board	337,198,750	630,517,655
Rufiji Basin Water Board	585,393,758	2,611,001,241
Rural Water Supply and Sanitation Agency	48,607,385,937	145,315,729
Shinyanga Water Supply Authority (Shuwasa)	0	120,000,000
Transfer to RUWASA	9,993,795,507	78,752,552,374
Wami Ruvu Basin Water Board	550,000,000	485,570,423
Water Basin Boards	2,901,028,920	3,658,877,291
Lake Tanganyika Basin Water Board	739,574,365	871,565,000
	111,482,021,756	164,178,461,718
<b>102 - Other Transfers</b>		
Contribution to CF (15%)	0	10,000,000
	0	10,000,000

**103. EXPLANATION ON RECEIVABLES FROM THE MINISTRY OF WATER**

As summarized in Note 67, NWF initially reported Other Receivables from the Ministry of Water amounting to TZS 1,433,082,198.00 as at 30 June 2022. Throughout the year 2022/23, the Receivables decreased by TZS 493,304,596, these Funds were directly deducted at source from the amounts disbursed to the Ministry specifically designated for administrative and operational costs, thus as at 30 June 2023 the Receivable balance was TZS 939,777,602.

**104 RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS(DEFICIT) FOR THE PERIOD ENDED 30 JUNE, 2023**

	2022/23 TZS	2021/22 TZS
Surplus/ Deficit for the Period	(200,337,895)	358,284,265
Add/ (Less) Non-Cash Item		
Depreciation of Property, Plant and Equipment	149,708,556	151,098,036
Received in/vehicle prepaid in previous year	(154,868,816)	0
Add/ (Less) Change in Working Capital		
Deferred Income	3,223,238,621	13,211,677,349
Other Receipts (Unapplied)	653,311,863	(64,750,264)
Payables and Accruals	(29,153,276)	30,025,281
Prepayments	(35,479,536)	0
Receivables	(230,191,896)	94,091,101
Net Cash Flow from Operating Activities	3,376,227,621	13,780,425,768

**105 EXPLANATION AND ANALYSIS OF RESTATED COMPARATIVE FIGURES**

During preparation of the financial statement of NWF for the FY 2022/23, calculation of depreciation of PPE was made based on the revised economic useful life of assets as per requirement of Public Assets Management Guideline of 2019 and the Treasury Circular No. 6 of 2018/19. However, during the process we noted that some of the assets which were still in use had been depreciated to zero, that necessitated management to correct errors as per requirement of the Treasury Circular No. 6 of 2018/19. Therefore, depreciation, surplus, accumulated depreciation, carrying amount and net assets for the comparative year; 2021/22 have been restated as shown in the table below.

S/N	DESCRIPTION/ITEMS	AS PREVIOUSLY REPORTED AS AT 30 JUNE 2022 TZS	RESTATED AS AT 30 JUNE 2022 TZS	DIFFERENCE TZS
1	Depreciation	173,363,253	151,098,036	24,265,217
2	Accumulated depreciation	471,868,949	429,929,070	41,939,879

S/N	DESCRIPTION/ITEMS	AS PREVIOUSLY REPORTED AS AT 30 JUNE 2022 TZS	RESTATE AS AT 30 JUNE 2022 TZS	DIFFERENCE TZS
3	Surplus	271,218,784	358,284,265	87,065,481
4	Carrying amount	554,743,069.71	641,808,551.10	87,065,481
5	Accumulated Surplus	1,853,400,491.00	1,940,465,942.00	87,065,451
6	Total Net Assets	2,154,803,610	2,281,869,091	87,065,481

#### 106 RELATED PARTY TRANSACTION

Related party of the Fund are the members of the Board of Directors and the Key management Personnel of the Fund. Detail of allowances and other remuneration received by the related party for the financial year 2022/23 was TZS 34,850,000 as indicated below:

Related Party Transactions	Amount	Amount
Description	2022/23	2021/22
	TZS	TZS
Board of Directors allowance	0	0
Management allowances	34,850,000.00	0
Total		0
	34,850,000.00	