



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



ISO 9001:2015 Certified

ARDHI INSTITUTE MOROGORO

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL
ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

Controller and Auditor General
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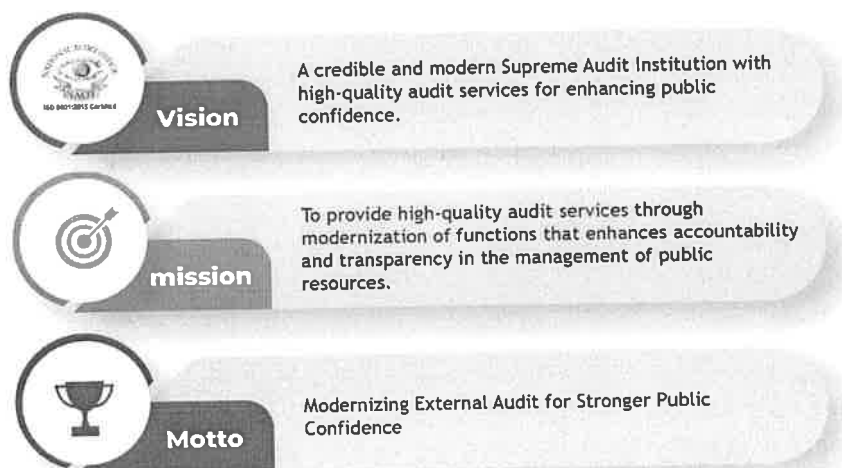
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About the National Audit Office

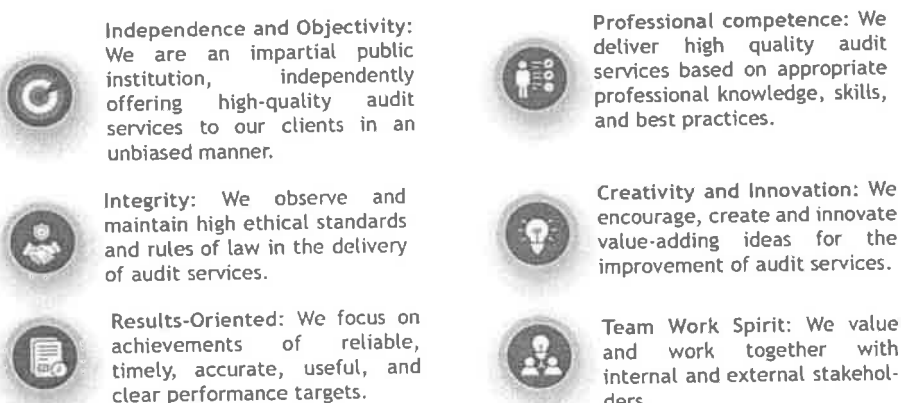
Mandate

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

NAOT Vision, Mission & Motto



Core Values



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Abbreviations

AAAG	Africa Association of Accountant General
AAG	Assistant Accountant General
AC	Account
ACGEN	Accountant General
AG	Attorney General
AGD	Accountant General's Division
AR	Audit Report
ARIMO's	Ardhi Institute Morogoro
BOT	Bank of Tanzania
CAG	Controller and Auditor General
CBS	Central Bank System
CPA	Certified Public Accountant
CPO	Central Payment Office
CRDB	Cooperative Rural Development Bank
CSR	Corporate Social Responsibility
EAD	exposure at default
ECL	Expected Credit Loss
EFT	Electronic Fund Transfer
ESAAG	Eastern and Southern African Association of Accountants General
ESG	Environment Social and Governance
EUL	Estimated Useful Life
GACS	Government Accounting Consolidation System
GAMIS	Government Assets Management Information System
GDP	Gross Domestic Product
GePG	Government electronic Payment Gateway
GHG	Green House Gas
GIS	Geographic Information System
HIV/AIDS	Human Immunodeficiency Virus/Acquired immunodeficiency syndrome
ICT	Information Communication Technology
IFMS	Integrated Financial Management System.
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
IPSASB	the International Public Sector Accounting Standard Board
ISSAIs	International Standard of Supreme Audit Institutions
IT	Information Technology
KKK	Kupanga, Kupima na Kumilikisha
KRA	Key Result Areas
LAAC	Local Authority Accounts Committee
LAN	Local Area Network
LGAs	Local Government Authorities
LGD	loss given default
MDAs	Ministries, Departments, and Agencies

MoF	Ministry of Finance
MoU	Memorandum of Understanding
MUSE	Mfumo wa Uhasibu Serikalini
NACTVET	National Council for Technical and Vocational Education and Training
NBAA	National Board of Accountants and Auditors
NECTA	National Examinations Council of Tanzania
NGOs	Non-Government Organisations
NHIF	National Health Insurance Fund
NMB	National Microfinance Bank
NRD	National Revenue Database
OC	Other Charges
OSHA	Occupational Safety and Health Authority
PAA	Public Audit Act
PAC	Public Accounts Committee
PAR	Public Audit Regulation
PD	probability of default
PE	Personal Emolument
PFA	Public Finance Act
PFMRP	Public Finance Management Reform Programme
PhD	Doctor of Philosophy
PMG	Paymaster General
PPA	Public Procurement Act
PPE	Property, Plant and Equipment
PPR	Public Procurement Regulations
PSPOA	Public Sector Performance Obligation Approach
PSSSF	Public Service Social Security Fund
RAS	Regional Administrative Secretariat
ROs	Religious Organisations
RS	Regional Secretariat
TBA	Tanzania Building Agency
TCWG	Those Charged With Governance
Temesa	Tanzania Electrical, Mechanical and Electronics Services Agency
TFRS	Tanzania Financial Reporting Standard
TPPS	Treasury Pension Payment System
TRs	Technical Regulators
TVC	Treasury Voucher
TZS	Tanzania Shillings
UPS	Uninterrupted Power Supply
WCF	Workers Compensation Fund

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

**Principal,
Ardhi Institute Morogoro,
P.O. Box 155,
MOROGORO, TANZANIA.**

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Ardhi Institute Morogoro, which comprise the statement of financial position as at 30 June 2025, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects the financial position of the Ardhi Institute Morogoro as at 30 June 2025, 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 in 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 Ardhi Institute Morogoro in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

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

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Chairperson, Statement of the Principal, statement of management responsibility and Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS, as issued by the International Public Sector Accounting Standard Board (IPSASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance

with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with

them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

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

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 conducted a compliance audit of the procurement of works, goods and services at Ardhi Institute Morogoro for the year ended 30 June 2025 as per the Public Procurement Act, 2023 the Public Procurement Regulations, 2024 and related directives. I examined each phase of the procurement life cycle, including advertising of tenders, evaluation of bids, award of contracts and contract management, to confirm that the entity issued competitive solicitations, applied approved evaluation criteria, secured authorizations before award and maintained complete transaction records.

Conclusion

Based on the audit procedures performed, I conclude that, Ardhi Institute Morogoro generally complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I conducted a compliance audit of budget formulation and execution at Ardhi Institute Morogoro for the year ended 30 June 2025 as per the Budget Act, Cap. 439, and the Budget Guidelines issued by the Ministry of Finance. I reviewed budget submissions, approval memoranda, commitment registers, ledger entries and variance analyses to confirm that the entity prepared estimates in the prescribed format, obtained timely

authorizations before incurring obligations, recorded transactions accurately and reported variances as required.

Conclusion

Based on the audit procedures performed, I conclude that, except for the matters described below, Ardhi Institute Morogoro generally complies, in all material respects, with the requirements of the Budget Act and related Budget Guidelines.

- **Inadequate Implementation of Budgeted Activities TZS 1,674,066,112.93**

Section 22(1) of the Budget Act (CAP. 439 R.E. 2020) requires the public entities to prepare budget estimates and submit to the Permanent Secretary for scrutiny and approval in accordance with this Act and receive funds from the Consolidated Fund based on the approved budget.

My review of ARIMO's budget and implementation report revealed that, out of a total of 64 planned activities costing TZS 3,108,675,000, the Institute fully completed 30 activities valued at TZS 1,434,608,887.07 (46 per cent). Additionally, I observed that 23 activities worth TZS 973,279,362.93 were partially carried out, while 11 activities valued at TZS 700,786,750 were not implemented.


Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
February 2026



STATEMENT OF THE MANAGEMENT RESPONSIBILITY

Section 30 of the Public Finance Act, Cap 348 requires the Management to prepare Financial Statements for each year. The Financial Statement prepared by Management should give a true and fair view of the state of affairs of the Institute as at the end of the financial year. They are also required to ensure that the Institute keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Institute. The Management is also responsible for safeguarding the assets of the Institute.

The Management accepts responsibility for the preparation of annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with the International Public Sector Accounting Standards (IPSAS-Accrual Basis) and in the manner required by Section 30 of the Public Finance Act, Cap 348 and its regulations; and Guidelines issued or that may be issued from time to time by Paymaster General (PMG) and Accountant General (ACGEN)

The Management further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining an adequate system of internal control. Management is responsible for safeguarding the assets of the reporting entity and has a liability to take reasonable steps for the prevention and detection of fraud, errors and other irregularities.

Management accepts responsibility for the integrity of the financial statements, the information they contain, and their compliance with the Public Finance Act Cap 348 [R.E 2020] and instructions from the Treasury. Procurement of goods, works, consultancy and non-consultancy services, to the extent that they are reflected in these Financial Statements, has been done in accordance with the Public Procurement Laws

Nothing has come to the attention of the Management to indicate that the Institute will not remain a going concern for at least twelve months from the date of this Statement.

Signature: 

Charles Saguda

Principal

Date: 19/02/2026

DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2025

The National Board of Accountants and Auditors (NBAA), according to the power conferred under the Auditors and Accounts (Registration) Act 286, requires financial statements to be accompanied by a declaration issued by the Head of Finance and Accounts Unit responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Management in discharging the responsibility of preparing the financial statement of an entity showing a true and fair view of the entity's 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 Management, as stated in the Management Responsibility statement on an earlier page.

I, Jackline J Chengula, being Head of Finance and Accounts Unit of the Ardhi Institute Morogoro, hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2025 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of The Institute of Ardhi Morogoro as on that date and they have been prepared based on properly maintained financial records.

Signed by:



Position: Acting Head of Finance & Accounting

NBAA Membership No: GA 6451

Date: 19-02-2026

THE UNITED REPUBLIC OF TANZANIA
 MINISTRY OF LANDS, HOUSING, HUMAN SETTLEMENTS DEVELOPMENT VOTE 048
 ARDHI INSTITUTE MOROGORO TR 06
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2025

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2025

	Note	2024/25 TZS	2023/24 TZS
ASSETS			
Current Asset			
Cash and Cash Equivalents	62	81,441,749	138,696,036
Receivables	67	947,316,162	1,076,892,621
Prepayments	69	466,750	3,038,899
Inventories	70	49,073,041	59,859,100
Total Current Asset		1,078,297,702	1,278,486,656
Non Current Asset			
Property, Plant and Equipment	77	8,157,768,721	8,014,874,298
Work in Progress	82	254,784,396	203,394,742
Total Non Current Asset		8,412,553,117	8,218,269,040
TOTAL ASSETS		9,490,850,819	9,496,755,696
LIABILITIES			
Current Liabilities			
Payables and Accruals	89	1,210,364,004	1,197,575,212
Deferred Income	93	19,281,000	0
Deposits	94	8,652,780	0
Total Current Liabilities		1,238,297,784	1,197,575,212
TOTAL LIABILITIES		1,238,297,784	1,197,575,212
Net Assets		8,252,553,034	8,299,180,484
NET ASSETS			
Capital Contributed by:			
Taxpayers		8,314,283,739	8,314,283,739
Accumulated Surpluses / Deficits		(61,730,704)	(15,103,255)
TOTAL NET ASSET		8,252,553,035	8,299,180,484

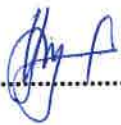
Signature:.....
 Charles Saguda
 Principal

Date: 19/02/2028

THE UNITED REPUBLIC OF TANZANIA
 MINISTRY OF LANDS, HOUSING, HUMAN SETTLEMENTS DEVELOPMENT VOTE 048
 ARDHI INSTITUTE MOROGORO TR 06
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2025

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2025

	Note	2024/25 TZS	RESTATED 2023/24 TZS
REVENUE			
Revenue			
Revenue Grants	16	1,129,015,550	1,042,591,544
Revenue from Exchange Transactions	17	716,787,373	1,207,373,930
Subvention from other Government entities	32	133,681,191	0
Total Revenue		1,979,484,114	2,249,965,474
TOTAL REVENUE		1,979,484,114	2,249,965,474
EXPENSES AND TRANSFERS			
Expenses			
Wages, Salaries and Employee Benefits	34	1,205,233,583	1,075,033,521
Use of Goods and Services	35	611,207,936	708,918,773
Maintenance Expenses	36	38,560,231	73,906,094
Other Expenses	52	96,050,000	345,477,800
Expected Credit Loss	54	9,028,045	25,077,139
Depreciation of Property, Plant and Equipment	77	41,031,768	44,028,520
Total Expenses		2,001,111,563	2,272,441,847
Transfer			
Other Transfers	60	25,000,000	10,000,000
Total Transfer		25,000,000	10,000,000
TOTAL EXPENSES AND TRANSFERS		2,026,111,563	2,282,441,847
Share of Surplus of Associate and Joint Venture	108	0	0
Surplus / (Deficit) for the period		(46,627,449)	(32,476,373)

Signature: 

Charles Saguda

Principal

Date: 19/07/2026

THE UNITED REPUBLIC OF TANZANIA
 MINISTRY OF LANDS, HOUSING, HUMAN SETTLEMENTS DEVELOPMENT VOTE 048
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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2025

STATEMENT OF CHANGES IN NET ASSET AND EQUITY FOR THE YEAR ENDED 30 JUNE 2025

	Tax Payer's Fund	Accum. Surplus/(Deficit)	Total
Opening Balance as at 01 Jul 2024	8,314,283,739	(15,103,255)	8,299,180,484
Additional Capital Injected			0
Other Reserves			0
Other Appropriations			0
Minority interests			0
Surplus/Deficit for the year		(46,627,449)	(46,627,449)
Closing balance as at 30 June 2025	8,314,283,739	(61,730,704)	8,252,553,035
Opening Balance as at 01 Jul 2023	8,314,283,739	17,373,119	8,331,656,858
Additional Capital Injected			0
Other Reserves			0
Other Appropriations			0
Minority interests			0
Surplus/Deficit for the year		(32,476,374)	(32,476,374)
Closing balance as at 30 June 2024	8,314,283,739	(15,103,255)	8,299,180,484

Signature:.....

Charles Saguda

Principal

Date: 19/07/2026

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF LANDS, HOUSING, HUMAN SETTLEMENTS DEVELOPMENT VOTE 048
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2025

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE, 2025

	2024/25 TZS	2023/24 TZS
CASH FLOW FROM OPERATING ACTIVITIES		
RECEIPTS		
Subvention from other Government entities	0	0
Revenue Grants	1,148,296,550	1,043,593,500
Revenue from Exchange Transactions	786,693,253	984,648,470
Other Revenue	0	0
Increase in Deposit	8,652,780	0
Total Receipts	1,943,642,583	2,028,241,970
PAYMENTS		
Wages, Salaries and Employee Benefits	1,208,815,796	1,177,955,009
Use of Goods and Services	524,533,723	472,093,249
Social Benefits	0	0
Other Transfers	25,000,000	10,000,000
Other Expenses	96,050,000	345,477,800
Maintenance Expenses	38,560,230	73,906,094
Total Payments	1,892,959,749	2,079,432,152
NET CASH FLOW FROM OPERATING ACTIVITIES	50,682,833	(51,190,181)
CASH FLOW FROM INVESTING ACTIVITIES		
Investing Activities		
Payment For Work in Progress	(51,389,654)	
Acquisition of Property, Plant and Equipment	(56,125,000)	0
Total Investing Activities	(107,514,654)	0
NET CASH FLOW FROM INVESTING ACTIVITIES	(107,514,654)	0
Net Increase	(56,831,821)	(51,190,181)
Cash Surrendered to Holding Account	0	0
Cash Surrendered to PMG	0	1,001,956
Cash and cash equivalents at the beginning of the period	138,696,036	190,888,173
Cash and cash equivalents at the end of the period	81,864,215	138,696,036

Signature:.....

Charles Saguda

Principal

Date: 19/07/2026

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF LANDS, HOUSING, HUMAN SETTLEMENTS DEVELOPMENT VOTE 048
ARDHI INSTITUTE MOROGORO TR 06
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2025**

STATEMENTS OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET	REALLOCATION	FINAL BUDGET (B)	ACTUAL (A)	VARIANCE(B-A)
RECEIPTS	TZS	TZS	TZS	TZS	TZS
Subvention from Other Government Entities	1,562,452,000	0	1,562,452,000	1,148,296,550	414,155,450
Revenue from Exchange Transactions	2,666,475,000	0	2,666,475,000	786,693,253	1,879,781,747
Other Revenue	1,200,000	0	1,200,000	0	1,200,000
Increase in Deposit	0	0	0	8,652,780	(8,652,780)
Total Receipts	4,230,127,000	0	4,230,127,000	1,943,642,583	2,286,484,417
PAYMENTS					
Wages, Salaries and Employee Benefits	1,784,022,000	0	1,784,022,000	1,208,815,796	575,206,204
Use of Goods and Service	1,267,178,000	0	1,267,178,000	524,533,723	742,644,277
Social Benefits	1,500,000	0	1,500,000	0	1,500,000
Other Transfers	25,000,000	0	25,000,000	25,000,000	0
Other Expenses	218,360,000	0	218,360,000	96,050,000	122,310,000
Maintenance Expenses	525,322,000	0	525,322,000	38,560,230	486,761,770
Acquisition of Property, Plant and Equipment	408,745,000	0	408,745,000	107,514,654	301,230,346
Total Payment	4,230,127,000	0	4,230,127,000	2,000,474,403	2,229,652,597
Net Receipts/Payments				(56,831,821)	

Signature: 

Charles Saguda

Principal

Date: 19/02/2026