



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



**BUKOBA WATER SUPPLY AND SANITATION AUTHORITY
(BUWASA)**

**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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March 2026

AR/PA/BUWASA/2024/25

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



Vision

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



Mission

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



Motto

Modernizing External Audit for Stronger Public Confidence



Core Values



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



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.



Results-Oriented: We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



Team Work Spirit: We value and work together with internal and external stakeholders.

© This audit report is intended to be used Bukoba Water Supply and Sanitation Authority (BUWASA) may form part of the annual general report which once tabled to National Assembly, becomes a public document hence, its distribution may not be limited.



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ABBREVIATIONS

AR	Audit report
BUWASA	Bukoba Urban Water Supply and Sanitation Authority
CAG	Controller and Auditor General
EWURA	Energy and Water Utilities Regulatory Authority
ESG	Environment, Social, and Governance
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
NBAA	National Board of Accountants and Auditors
NRW	Non-Water Revenue
PA	Public Authorities
SDG	Sustainable Development Goals
RAS	Regional Administrative Secretary
WSDP	Water Supply Development Project
WSSA	Water Supply and Sanitation Authority

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson,
Board of Directors,
Bukoba Water Supply and Sanitation Authority,
P P.O. Box 81,
Bukoba,
Kagera.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Bukoba Water Supply and Sanitation Authority, 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 Bukoba Water Supply and Sanitation Authority 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, as issued by the International Public Sector Accounting Standards Board (IPSASB) 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 Bukoba Water Supply and Sanitation Authority 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 Those Charged with Governance, statement of management responsibility, Declaration by the



Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS as issued by the International Accounting Standards Board (IASB)) 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 it 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.

1.1 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.1.1 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 Bukoba Water Supply and Sanitation Authority 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 Bukoba Water Supply and Sanitation Authority complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

1.1.2 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 Bukoba Water Supply and Sanitation Authority 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 Bukoba Water Supply and Sanitation Authority complies, in all material respects, with the requirements of the Budget Act and related Budget Guidelines.



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



BUKOBA WATER SUPPLY AND SANITATION AUTHORITY (BUWASA)

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The Directors are required, under section 25(1) of the Legislation and Operations Guidelines of 2008 for Urban Water and Sanitation Authorities, to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Authority and of the results of operations.

The Directors are also required to ensure that the Authority keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud, error, and other irregularities.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS). The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Authority and the result of operations.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control. Nothing has come to the attention of the Directors to indicate that the Authority will not remain as a going concern for at least twelve months from the date of these financial statements.

The auditors are responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable Financial Reporting Framework.

Approval of Financial Statements

The financial statements of Bukoba Urban Water Supply and Sanitation Authority were approved by the Board on and signed by:



Mr. Samora Lyakurwa

Board Chairperson



Mr. John Sirati

Secretary

Date... MARCH 2026

BUKOKA WATER SUPPLY AND SANITATION AUTHORITY (BUWASA)

4.0 DECLARATION OF THE DIRECTOR OF FINANCE AND ACCOUNTS OF BUKOKA WATER SUPPLY AND SANITATION AUTHORITY

The National Board of Accountants and Auditors (NBAA), according to the power 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 by a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I, Eustaki Daniel Massay, being the Director of Finance and Accounts, Bukoba Water Supply and Sanitation Authority (BUWASA), 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 Bukoba Water Supply and Sanitation Authority (BUWASA) as on that date and that they have been prepared based on properly maintained financial records.

Signed:



Position:

Director of Finance and Accounts

NBAA Membership No:

ACPA 6746

Date:

March 2026

BUKOKA WATER SUPPLY AND SANITATION AUTHORITY (BUWASA)

5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

ASSETS	NOTE	2024/25 TZS	RESTATED 2023/24 TZS
Current Assets			
Cash and Cash Equivalents	5	972,299,099	189,878,330
Trade and Other Receivables	6	360,055,390	576,168,462
Inventories	7	373,973,629	399,316,245
Total Current Assets		<u>1,706,328,118</u>	<u>1,165,363,037</u>
Non-Current Assets			
Property, Plant and Equipment	8(a)	55,292,383,078	57,166,481,729
Work in Progress	8(b)	9,952,536,319	6,627,536,097
Total Non-Current Assets		<u>65,244,919,397</u>	<u>63,794,017,826</u>
TOTAL ASSETS		<u>66,951,247,515</u>	<u>64,959,380,863</u>
LIABILITIES			
Current Liabilities			
Trade and Other Payables	11(a & b)	4,844,374,830	2,352,409,620
Total Current Liabilities		<u>4,844,374,830</u>	<u>2,352,409,620</u>
Non-Current Liabilities			
TIB IFF-OBA		<u>729,660,991</u>	-
Total Non-Current Liabilities		<u>729,660,991</u>	-
Total Liabilities		<u>5,574,035,821</u>	2,352,409,620
NET ASSETS		<u>61,377,211,694</u>	<u>62,606,971,243</u>
NET ASSETS			
Taxpayers' Fund	9	514,978,174	514,978,174
Accumulated Surplus	10	<u>60,862,233,520</u>	<u>62,091,993,069</u>
Total net assets		<u>61,377,211,694</u>	<u>62,606,971,243</u>

Notes 1 to 30 form part of the Financial Statements.

These financial statements were authorised in accordance with resolution of the Board of Directors passed and were signed on its behalf by:



Mr. S. Lyakurwa
CHAIRPERSON

MARCH 2026

Date



Mr. John N. Sirati
MANAGING DIRECTOR

BUKOKA WATER SUPPLY AND SANITATION AUTHORITY (BUWASA)

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

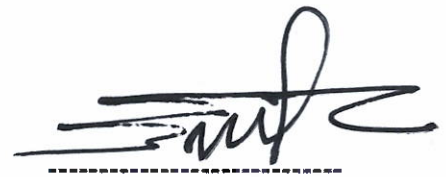
	NOTE	2024/25 TZS	2023/24 (RESTATED) TZS
Revenue from Exchange Transactions	12(a)	6,761,466,616	5,611,553,854
Other Receipt	12(b)	143,057,651	82,755,041
Non-Exchange Transactions	13	<u>4,347,782,922</u>	<u>7,315,168,816</u>
TOTAL		<u>11,252,307,189</u>	<u>13,009,477,711</u>
EXPENSES			
Water Production Expenses	14	1,414,090,637	1,334,130,193
Water Distribution Expenses	15	1,137,695,621	1,083,475,218
Repair and Maintenance	16	322,015,703	209,035,502
Personnel Expenses	17(a)	1,693,949,094	1,422,670,717
Administrative Expenses	17(b)	903,842,164	853,066,228
Other Expenses	18(a)	356,362,629	374,272,201
Project Expenses (WSDP)	18(b)	3,763,556,329	2,711,473,386
Financial Costs	19	32,428,098	13,340,455
Expected Credit Loss	5(a)+6(a)	442,571,938	21,395,886
Depreciation expenses	8	<u>2,415,554,525</u>	<u>2,347,679,961</u>
TOTAL		<u>12,482,066,738</u>	<u>10,370,539,747</u>
OPERATING DEFICIT/SURPLUS		<u>(1,229,759,549)</u>	<u>2,638,937,964</u>

Notes 1 to 30 form part of the Financial Statements.

These financial statements were authorised in accordance with the resolution of the Board of Directors passed and were signed on its behalf by:


 Mr. S. Lyakurwa
 CHAIRPERSON

MARCH 2026
 Date


 Mr. John N. Sirati
 MANAGING DIRECTOR

BUKOBWA WATER SUPPLY AND SANITATION AUTHORITY (BUWASA)

5.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Taxpayers' Fund TZS	Accumulated Surplus/(Deficit) TZS	Total net assets TZS
Balance as at 1 July 2023	514,978,174	59,452,754,640	59,967,732,814
Adjustments	-	300,465	300,465
Surplus	-	2,638,937,964	2,638,937,964
Balance as at 30 June 2024	514,978,174	62,091,993,069	62,606,971,243
Balance as at 1 July 2024	514,978,174	62,091,993,069	62,606,971,243
Deficit for the year	-	(1,229,759,549)	(1,229,759,549)
Balance as at 30 June 2025	<u>514,978,174</u>	<u>60,862,233,520</u>	<u>61,377,211,694</u>

Notes 1 to 30 form part of the Financial Statements.

These financial statements were authorised in accordance with the resolution of the Board of Directors passed and were signed on its behalf by:



Mr. S. Lyakurwa
CHAIRPERSON

March 2026

Date



Mr. John N. Sirati
MANAGING DIRECTOR

BUKOBWA WATER SUPPLY AND SANITATION AUTHORITY (BUWASA)

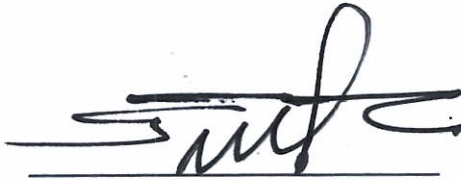
5.4 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

		2024/25 TZS	2023/24 TZS
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS	NOTE		
Cash Receipts from Customers	21	5,837,233,713	4,976,127,333
Other Income	13	4,347,782,922	5,366,143,268
Total Cash Receipts		<u>10,185,016,635</u>	<u>10,342,270,601</u>
LESS: PAYMENTS			
Employee Costs	22	1,530,835,828	1,299,422,023
Payments to Suppliers	23	1,551,905,060	1,639,105,233
Projects' Payments	18(b)	3,763,556,329	2,711,473,386
Other Payments	25	1,180,838,092	1,484,503,100
Financial Expenses	19	<u>32,428,098</u>	<u>13,340,455</u>
Total Payments		<u>8,059,563,407</u>	<u>7,147,844,197</u>
NET CASH FLOW FROM OPERATIONS (A)		<u>2,125,453,228</u>	<u>3,194,426,404</u>
CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES			
Acquisition of Property, Plant and Equipment (B)	8(a+b)	(2,061,576,665)	(3,324,308,198)
CASH FLOW FROM FINANCING ACTIVITIES (C)			
	11c	729,660,991	
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		793,537,554	(129,881,794)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		<u>198,293,306</u>	<u>328,175,100</u>
CASH AND CASH EQUIVALENTS AT THE YEAR END	5	<u>991,830,860</u>	<u>198,293,306</u>

These financial statements were authorised in accordance with resolution of the Board of Directors passed and were signed on its behalf by:


 Mr. S. Lyakurwa
 CHAIRPERSON

MARCH 2026
 Date


 Mr. John N. Sirati
 MANAGING DIRECTOR

BUKOBA WATER SUPPLY AND SANITATION AUTHORITY (BUWASA)

5.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

REVENUE	Original Budget (A) (TZS)	Adjustments (B)	Final Budget (C) (TZS)	Actual Amount (D) (TZS)	Performance Difference (TZS)	Performance Difference %
Water Consumption	7,974,840,720		7,974,840,720	6,052,575,794.	-1,922,264,926	-24
New water conns (material)	417,120,000		417,120,000	695,960,821	278,840,821	67
Water Reconnection fee	6,600,000		6,600,000	12,930,001	6,330,001	96
Other income	243,913,407		243,913,407	143,057,651	- 100,855,756	-41
Sub TOTAL (A)	8,642,474,127		8,642,474,127	6,904,524,267	-1,737,949,860	-20
Project Fund	7,405,913,725		7,405,913,725	4,347,782,922	-3,058,130,803	-41
Sub TOTAL (B)	7,405,913,725		7,405,913,725	4,347,782,922	-3,058,130,803	-41
TOTAL REVENUE (A+B)	16,048,387,852		16,048,387,852	11,252,307,189	-4,796,080,663	-30
EXPENSES						
Water production	1,951,500,000		1,951,500,000	1,414,090,637	-537,409,363	28
Water Distribution	1,487,500,000		1,487,500,000	1,137,695,621	-349,804,379	18
Repair and Maintenance	319,100,000		319,100,000	322,015,703	2,915,703	-1
Personal Expenses	2,418,349,654		2,418,349,654	1,693,949,094	-724,400,560	30
Administration Expenses	1,183,230,000		1,183,230,000	903,842,164	-279,387,836	24
Other Expenses	1,253,394,473		1,253,394,473	356,362,629	-897,031,844	72
Project Fund Expenses	7,405,913,725		7,405,913,725	4,598,385,689	-2,807,528,036	38
Financial Cost	29,400,000		29,400,000	32,428,098	3,028,098	-10
TOTAL EXPENSES	16,048,387,852		16,048,387,852	10,458,769,635	-5,589,618,217	35
Difference				793,537,554	793,537,554	

The base for the Budget preparation is Cash basis.

Notes 1 to 30 form part of the Financial Statements.

These financial statements were authorised in accordance with resolution of the Board of Directors passed and were signed on its behalf by:



Mr. S. Lyakurwa
CHAIRPERSON



Date



Mr. S. Lyakurwa
CHAIRPERSON

JR

Controller and Auditor General

AR/PA/BUWASA/2024/25