



**THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE**



**BARIADI URBAN WATER SUPPLY AND SANITATION AUTHORITY
REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

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March 2026

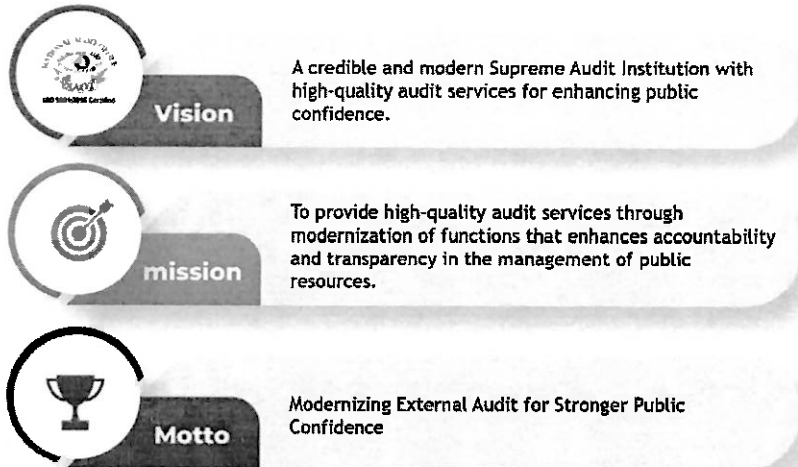
AR/PA/BARUWASA/2024/25

About the National Audit Office

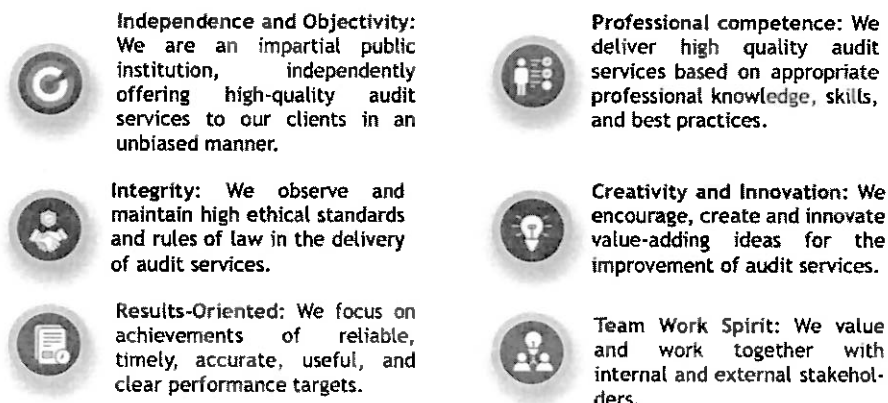
Mandate

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



Core Values



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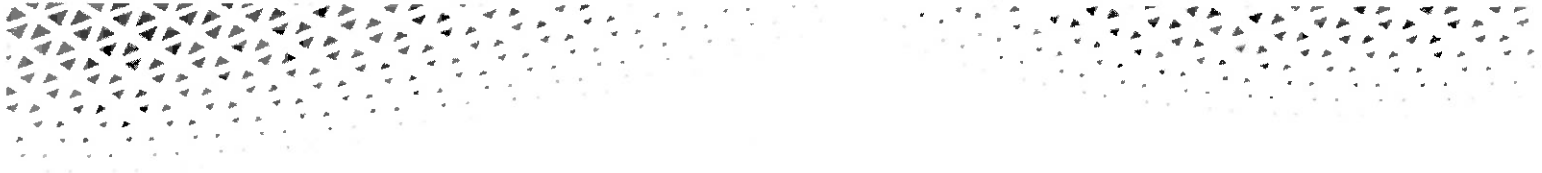
TABLE OF CONTENTS

Abbreviations.....	iii
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. REPORT OF THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2025	6
3.0. STATEMENT OF RESPONSIBILITIES BY THOSE CHARGED WITH GOVERNANCE	21
4.0. DECLARATION OF THE CHIEF ACCOUNTANT	22
5.0. FINANCIAL STATEMENTS	23



Abbreviations

BARUWASA	Bariadi Urban Water Supply and Sanitation Authority
EWURA	Energy and Water Utilities Regulatory Authority
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IPSAS	International Public Sector Accounting Standards
MoW	Ministry of Water
PAR	Public Audit Regulation
PPRA	Public Procurement Regulatory Authority
Sect	Section
TZS	Tanzanian Shillings



1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Bariadi Urban Water Supply and Sanitation,
P.O. Box 64,
Simiyu.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Bariadi Urban Water Supply and Sanitation, 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 the financial position of the Bariadi Urban 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 Bariadi Urban Water Supply and Sanitation 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 Report by Those Charged with Governance, statement of responsibilities by Those Charged with Governance 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.

The other information also comprises the Strategic Plan Summary which is expected to be part of the entity's annual report but was not made available to me as at the date of this audit report which will be made available to me after the date of this 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 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 Bariadi Urban 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 Bariadi Urban Water Supply and Sanitation Authority complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

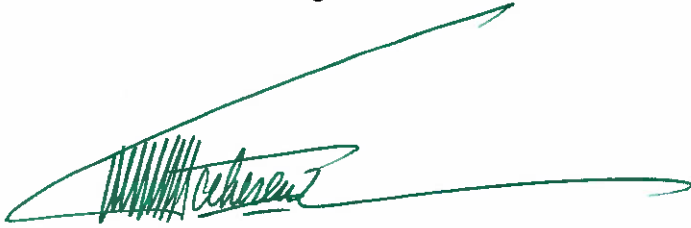
1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I conducted a compliance audit of budget formulation and execution at Bariadi Urban 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 Bariadi Urban 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



BARIADI URBAN WATER SUPPLY AND SANITATION AUTHORITY

3.0. STATEMENT OF RESPONSIBILITIES BY THOSE CHARGED WITH GOVERNANCE

Board of directors of Bariadi Urban Water Supply and Sanitation Authority is responsible for preparation of the annual Financial Statements, which give a true and fair view of the entity's state of affairs and its operating results in accordance with International Public Sector Accounting Standards (IPSAS) Accrual Basis, in conformity with the provision of the Public Finance Act, CAP 348, [R.E.2020]. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and presentation of the financial statements that are free from material misstatement, whether on account of fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances which provide reasonable assurance that the transactions recorded are within statutory authority, and properly record the use of all public financial resources accordingly.

To the best of our knowledge the system of internal control has operated adequately throughout the reporting period and that the records and underlying accounts provide a reasonable basis for preparation of the Financial Statements for the year ended 30 June 2025

Procurement of goods, works and consultancy and non-consultancy service to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act no. 9 of 2011 and its Regulations 2013 (Amended in 2016).

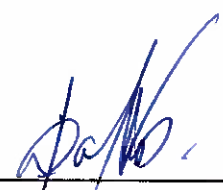
We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the Public Finance Act, CAP 348 [R.E.2020] and International Public Sector Accounting Standards (IPSAS) Accruals basis; and Guidelines issued or may be issued from time to time by the Authority's Board.

In our opinion, nothing has come to the attention of the Management that the financial statements do not 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.

By Order of the Board of Directors


Melkizedeck Oscar Humbe
Chairman of the Board

Date: 28/3/2026


Nandi James Mathias
Managing Director

BARIADI URBAN WATER SUPPLY AND SANITATION AUTHORITY

4.0. DECLARATION OF THE CHIEF ACCOUNTANT

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 the entity concerned.

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

I, ACPA Mika Mungaya Mollel, on behalf of the Chief Accountant of Bariadi Urban Water Supply and Sanitation Authority, hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2025 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS).

I thus confirm that the financial statements give a true and fair view position of Bariadi Urban Water Supply and Sanitation Authority as on that date and that they have been prepared based on properly maintained financial records.



Signed by: CPA Mika Mungaya Mollel

Position: Accountant

NBAA Membership No: ACPA 4243

Date: 28/03/2026

BARIADI URBAN WATER SUPPLY AND SANITATION AUTHORITY

5.0. FINANCIAL STATEMENTS

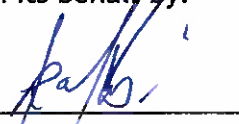
5.1. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	2024/25	2023/24
		TZS	TZS
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	32,721,251	20,227,458
Inventories	4	46,619,940	90,474,600
Trade and Other Receivables	5	280,935,621	288,706,463
TOTAL CURRENT ASSETS		360,276,811	399,408,521
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	9,727,916,461	9,421,750,375
TOTAL NON-CURRENT ASSETS		9,727,916,461	9,421,750,375
TOTAL ASSETS		10,088,193,272	9,821,192,897
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	07	159,774,623	149,663,631
Deferred Grant Income	08	2,193,796,740	2,193,796,740
TOTAL CURRENT LIABILITIES		2,353,571,363	2,343,460,371
NON-CURRENT LIABILITIES		2,353,571,363	2,343,460,371
TOTAL NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		2,353,571,363	2,343,460,371
Net Assets		7,734,621,910	7,477,708,526
NET ASSETS/EQUITY			
Government Fund	19	2,943,840,769	2,943,840,769
Accumulated Surplus		4,790,781,141	4,533,867,757
TOTAL NET ASSETS/EQUITY		7,734,621,910	7,477,708,526

These financial statements were authorized for issues in accordance with a resolution of the Board of Directors passed on 13/01/2026 and were signed on its behalf by:



Melkizedeck Oscar Humbe
Chairman of the Board



Nandi James Mathias
Managing Director

Date: 28/12/2026

BARIADI URBAN WATER SUPPLY AND SANITATION AUTHORITY

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

		2024/25	2023/24
	Notes	TZS	TZS
Revenue			
Revenue from exchange transaction	9	967,830,398	941,472,686
Revenue from non-exchange transaction	10	781,198,86	2,868,863,724
Other Revenue	11	167,814,502	153,682,579
Total Revenue		1,916,843,756	3,964,018,989
Expenditure			
Water Production Expenses	12	216,579,155	387,770,948
Employees Benefits Expenses	15	252,644,164	273,063,395
Administrative Expenses	16	104,407,600	112,136,704
Repairs And Maintenance	13	90,668,694	138,848,425
Water Distribution Costs	14	320,477,360	159,066,500
Event and Donation	17	23,600,000	1,867,000
Other Expenses	18	80,037,834	339,650,370
Depreciation Expenses	6	441,368,104	773,006,681
Expected Credit Loss (Trade Receivable)	5(a)	129,960,831	225,611,497
Expected Credit Loss (Bank)	3(a)	186,628	-
Total Expenditure		1,659,930,370	2,411,021,519
SURPLUS		256,913,384	1,552,997,470

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors passed on 13/01/2026 and were signed on its behalf by:


 Melkizedeck Oscar Humbe
 Chairman of the Board


 Nandi James Mathias
 Managing Director

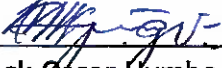
Date: 08/2/2026

BARIADI URBAN WATER SUPPLY AND SANITATION AUTHORITY

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

Particulars	Government Fund	Accumulated Surplus	Total
	TZS	TZS	TZS
Balance as at 1 July 2023	2,943,840,769	2,980,870,287	5,924,711,056
Prior year Adjustment			
Surplus for the year		1,552,997,470	1,552,997,470
Balance as at 30 June 2024	2,943,840,769	4,533,867,757	7,477,708,526
Balance as at 1 July 2024	2,943,840,769	4,533,867,757	7,477,708,526
Surplus for the year		256,913,384	256,913,384
Balance as at 30 June 2025	2,943,840,769	4,790,781,140	7,734,621,909

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors passed on 13/01/2026 and was signed on its behalf by:


 Melkizedeck Oscar Numbi
 Chairman of the Board

Date: 20/01/2026

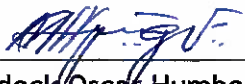

 Nandi James Mathias
 Managing Director

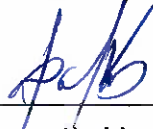
BARIADI URBAN WATER SUPPLY AND SANITATION AUTHORITY

5.4. CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

		2024/25	2023/24
Operating Activities	Note	TZS	TZS
Receipts (New connection, penalty, connection fee, Damage Penalty, and reconnection fee)	11	167,814,502	128,894,701
Revenue from non-exchange transactions	20(a)	182,117,602	
Revenue from exchange transactions	20(b)	845,640,408	705,907,685
Total Receipts		1,195,572,512	834,802,386
Payments			
Wages, Salaries and Employee Benefits	22	233,747,164	(254,582,259)
Payments to suppliers and service providers	21	800,701,971	(550,314,394)
Direct Production		0	(259,394,718)
Total Payments		1,034,449,135	(1,064,291,371)
Net Cash (out)/inflow from Operating Activities		161,123,377	(229,488,985)
Cash Flow from Investing Activities			
Proceeds from Disposal of Plant and Equipment		0	0
Purchase of Plant and Equipment	23	(148,442,957)	(912,870,542)
Net Cash Flows Used in Investing Activities		(148,442,957)	(912,870,542)
Financing Activities			
Net Cash Flows Used in Financing Activities		0	0
Net Increase/(decrease) in cash		12,680,420	(1,142,359,527)
Cash and Cash Equivalents as at 1 July 2024		20,227,458	1,162,586,985
Cash and Cash Equivalents as at 30 June 2025		32,907,879	20,227,458

These financial statements were authorized for audit in accordance with a resolution of the Board of Directors passed on 13/04/2026 and were signed on its behalf by:


Melkizedeck Oscar Humbe
Chairman of the Board


Nandi James Mathias
Managing Director

Date: 28/02/2026

BARIADI URBAN WATER SUPPLY AND SANITATION AUTHORITY

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

REVENUE	Original Budget (A)(TZS)	Reallocation /Adjustments(TZS)	Final Budget (B)(TZS)	Actual Amount (C)(TZS)	Performance Difference (B - C)(TZS)	Percentage difference	Explanations of Variances
Revenue from Exchange Transactions	1,433,318,398	-	1,433,318,398	845,640,408	587,677,990	59%	A
Revenue from non- exchange transaction	1,380,000,000	-	1,380,000,000	182,117,602	1,197,882,398	13%	B
Other revenue	200,000,000	0	200,000,000	167,814,502	32,185,498	84%	C
Total Revenue	3,013,318,398	0	3,013,318,398	1,195,572,512	1,817,745,886	40%	
EXPENSES							
Employees Benefits Expenses	376,168,923	-	376,168,923	(233,747,164)	142,421,759.00	62%	D
Payments to suppliers and service providers	1,050,775,468	-	1,050,775,468	(800,701,971)	250,073,497.00	76%	E
	1,426,944,391	0	1,426,944,391	1,034,449,135	392,495,256.00	72%	
Capital Expenditure	1,380,000,000	-	1,380,000,000	(148,442,957)	1,197,882,398	11%	
	1,380,000,000	-	1,380,000,000	(148,442,957)	1,197,882,398		
Net Balance	2,966,374,007		2,966,374,007	12,680,420	2,953,693,587		

The budget and the financial statements are prepared on a different basis. The statement of comparison of budget and actual amounts above is prepared on cash basis. Additional information on the differences is shown in Note 25 to the financial statements.


Melkizedeck Oscar Humbe
Chairman of the Board


Nandi James Mathias
Managing Director

Date: 28/02/2026