



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



ISO 9001:2015 Certified

**TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE
(TEITI)**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL
ON THE FINANCIAL AND COMPLIANCE AUDIT FOR
THE FINANCIAL YEAR ENDED 30 JUNE 2024**

Controller and Auditor General,
National Audit Office,
"Ukaguzi" House,
4 Mahakama Road,
P.O. Box 950,
41104 Tambukareli,
Dodoma, Tanzania.
Tel: 255 (026) 2161200-9,
E-mail: ocag@nao.go.tz
Website: www.nao.go.tz

March 2025

AR/CG/TEITI/2023/24

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

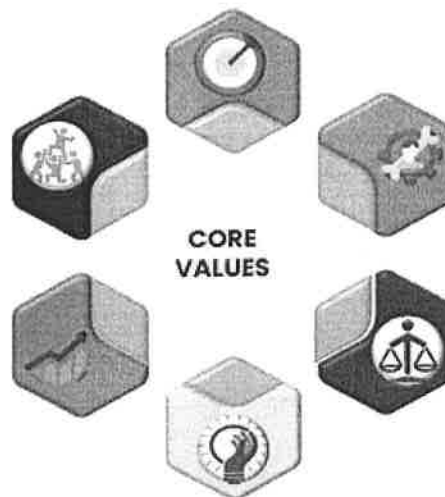
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

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 the Tanzania Extractive Industries Transparency Initiative (TEITI) 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.

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ABBREVIATIONS

AR	Audit Report
ARMC	Audit and Risk Management Committee
ATC	Accountability and Transparency Committee
Cap	Chapter
CG	Central Government
FPHRAC	Finance, Planning, Human Resources and Administration Committee
IESBA	International Ethics Standards Board for Accountants
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
MSG	Multi-stakeholder Group
NA	Not Applicable
NBAA	National Board of Accountants and Auditors
R.E	Revised Edition
Sect.	Section
TEITI	Tanzania Extractive Industries Transparency Initiative

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Executive Secretary,
Tanzania Extractive Industries Transparency Initiative,
Ministry of Minerals,
Madini Street,
Government city - Mtumba,
P. O. Box 422,
DODOMA, TANZANIA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Extractive Industries Transparency Initiative (TEITI), which comprise the statement of financial position as at 30 June 2024, 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 Tanzania Extractive Industries Transparency Initiative (TEITI) as at 30 June 2024, 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 Tanzania Extractive Industries Transparency Initiative (TEITI) 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 from the Mult-Stakeholder Group Chairman, Statement from the Executive Secretary, 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 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 scepticism 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.

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 law

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 Tanzania Extractive Industries Transparency Initiative (TEITI) for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that the procurement of works, goods and services of Tanzania Extractive Industries Transparency Initiative (TEITI) is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

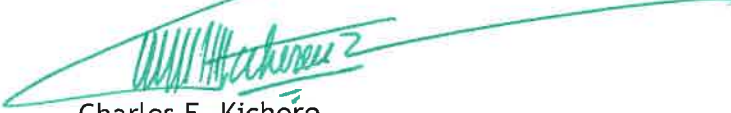
1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in Tanzania Extractive Industries Transparency Initiative (TEITI) for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that the Budget formulation and execution of the Tanzania Extractive Industries Transparency Initiative (TEITI) is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.


Charles E. Kichere,
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2025



4.0 STATEMENT OF MANAGEMENT RESPONSIBILITY

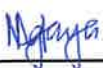
Management of the Tanzania Extractive Industries Transparency Initiative (TEITI) is responsible for the preparation of the annual financial statements, which give a true and fair view of the entity's state of affairs and its operating results in accordance with International Public Sector Accounting Standards (IPSASs) on the accrual basis, in conformity with the provision of section 30 of the Public Finance Act Cap.348. 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 the 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 the records and underlying accounts provide a reasonable basis for preparing the financial statements for the year ended June 30, 2024.

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 (CAP 410 RE 2022)

We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the Public Finance Act Cap.348 and its Regulations; International Public Sector Accounting Standards (IPSASs) accruals basis; and guidelines issued or may be issued from time to time by Paymaster General and Accountant General.

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.



Mariam S. Mgaya
Executive Secretary



Date

5.0 DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS

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/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Management 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/Governing Body as under Directors Responsibility statement on an earlier page.

I, **Honest Christofa Humba** being the Head of Finance and Planning Schedule (TR Vote 213) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2024 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 financial position of Tanzania Extractive Industries Transparency Initiative (TEITI) - government accounts as on that date and that they have been prepared based on properly maintained financial records.

Signed by : 
Position : Ag. Head of Finance and Planning Schedule
NBAA Membership No : ACPA 5298
Date : 07 March 2025

6.0 FINANCIAL STATEMENTS

6.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	2023/24 TZS	2022/23 TZS
ASSETS			
Current Asset			
Cash and Cash Equivalents	62	85,393,529	12,250,000
Inventories	70	6,673,788	0
Total Current Asset		92,067,317	12,250,000
Non-Current Asset			
Property, Plant and Equipment	77	58,123,598	65,683,624
Intangible Assets (WIP)	78	47,150,000	0
Total Non-Current Asset		105,273,598	65,683,624
TOTAL ASSETS		197,340,915	77,933,624
LIABILITIES			
Current Liabilities			
Payables and Accruals	89	174,960,000	0
Deferred Income (Revenue)	93	85,393,529	12,250,000
Total Current Liabilities		260,353,529	12,250,000
TOTAL LIABILITIES		260,353,529	12,250,000
Net Assets		(63,012,614)	65,683,624
NET ASSETS			
Accumulated Surpluses/(Deficits)		(63,012,614)	65,683,624
TOTAL NET ASSETS		(63,012,614)	65,683,624

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 Mariam S. Mgaya
 Executive Secretary

07/03/2025
 Date

6.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 TZS	2023 TZS
REVENUE			
Subvention from other Government entities (Revenue Grants)	16	1,554,096,491	840,710,505
TOTAL REVENUE		1,554,096,491	840,710,505
EXPENSES			
Wages, Salaries and Employee Benefits	34	812,107,200	276,398,200
Use of Goods and Service	35	770,363,630	516,556,323
Maintenance Expenses	36	34,691,873	17,470,882
Depreciation of PPE	77	7,560,026	21,106,295
Other Expenses	52	57,810,000	30,285,100
Grants and Transfer	59	260,000	0
TOTAL EXPENSES		1,682,792,729	861,816,800
Deficit for the period		(128,696,238)	(21,106,295)



Mariam S. Mgaya
Executive Secretary

07/03/2025

Date

6.3 STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED JUNE 2024

	Acc. Surplus/ (Deficit)		Total
	TZS	TZS	TZS
Opening Balance as at 01 Jul 2023	65,683,624	65,683,624	65,683,624
Deficit for the Year	(128,696,238)	(128,696,238)	(128,696,238)
Closing Balance as at 30 Jun 2024	(63,012,614)	(63,012,614)	(63,012,614)
Opening Balance as at 01 Jul 2022	86,789,919	86,789,919	86,789,919
Deficit for the Year	(21,106,295)	(21,106,295)	(21,106,295)
Closing Balance as at 30 Jun 2023	65,683,624	65,683,624	65,683,624

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Mariam S. Mgaya
Executive Secretary

07/03/2025
Date

6.4 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2024 TZS	2023 TZS
CASH FLOW FROM OPERATING ACTIVITIES		
RECEIPTS		
Funds Received	1,627,240,021	532,640,880
Total Receipts	1,627,240,021	532,640,880
PAYMENTS		
Wages, Salaries and Employee Benefits	812,107,200	276,398,200
Use of Goods and Services	602,077,418	211,104,073
Other Expenses	57,810,000	30,285,100
Maintenance Expenses	34,691,873	17,470,882
Grants and Transfers	260,000	0
Total Payments	1,506,946,491	535,258,255
NET CASH FLOW GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	120,293,529	(2,617,375)
CASH FLOW FROM INVESTING ACTIVITIES		
Investing Activities		
Intangible Assets-WIP	(47,150,000)	0
Total Investing Activities	(47,150,000)	0
NET CASH FLOW (USED IN) INVESTING ACTIVITIES	(47,150,000)	0
Net cash Increase/(Decrease)	73,143,529	(2,617,375)
Cash and Cash Equivalent at beginning of period	12,250,000	14,867,375
Cash and Cash Equivalent at end of period	85,393,529	12,250,000


 Mariam S. Mgaya
 Executive Secretary

07/03/2025
 Date

6.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2024

Budget approved on the Cash Basis (Classification of Payments by Nature)

	ORIGINAL BUDGET		REALLOCATION /ADJUSTMENT		FINAL BUDGET (B)		ACTUAL AMOUNT ON COMPARISON BASIS (A)		DIFFERENT FINAL BUDGET AND ACTUAL (B-A)		VARIANCE %	REMARKS
	TZS		TZS		TZS		TZS		TZS			
RECEIPTS												
Funds Received	1,639,572,320.00				-	1,639,572,320.00	1,627,240,021.00		12,332,299.00			The variance is due to the under lease of
Total Receipts	1,639,572,320.00				-	1,639,572,320.00	1,627,240,021.00		12,332,299.00	1%		finds compared to the approved budget and procurement processes
PAYMENTS												of acquisitions of
Wages, Salaries and Employee Benefits	805,993,320.00		29,320,160.00		835,313,480.00		812,107,200.00		23,206,280.00	3%		computes, which was carried forward to the financial year 2024/25
Use of Goods and Services	661,244,175.00		(44,289,760.00)		616,954,415.00		602,077,418.00		14,876,997.00	2%		
Other Expenses	57,810,000.00		-		57,810,000.00		57,810,000.00		-	-		
Maintenance Expenses	45,150,825.00		2,533,600.00		47,684,425.00		34,691,873.00		12,992,552.00	27%		
Grants and transfer	23,194,000.00		(22,914,000.00)		280,000.00		260,000.00		20,000.00	7%		
Acquisition of Property, plant and equipment	46,180,000.00		(11,800,000.00)		34,380,000.00		-		34,380,000.00	100%		
Acquisition of Intangibles	-		47,150,000.00		47,150,000.00		47,150,000.00		-	-		
Asset												
Total Payments	1,639,572,320.00		0		1,639,572,320.00		1,554,096,491.00		85,475,829.00	5%		
Net Payments	-		-		-		73,143,530.00					

Mgaya

Mariam S. Mgaya
Executive Secretary

07/03/2025

Date

RECONCILIATION OF ACTUAL AMOUNTS ON A COMPARABLE BASIS AND ACTUAL AMOUNTS IN THE FINANCIAL STATEMENTS.

A reconciliation between the actual amounts on a comparable basis as presented in the Statement of Comparison of Budget and Actual Amounts and the actual amounts in the Statement of Cash Flows (IPSAS 24).

Description	Operating TZS	Financing TZS	Investing TZS	Total
The actual amount is on a comparable basis as presented in the budget and actual comparative statement.	120,293,529	0	(47,150,000)	73,143,529
Basis Differences	-	-	-	-
Timing Differences	-	-	-	-
Entity Differences	-	-	-	-
Actual Amount in the Statement of Cash flows(Net cash Increase/(Decrease))	120,293,529	0	(47,150,000)	73,143,529

The timing difference mostly not applicable since the financial statements and budget documents are prepared for the same period. However, there might be an entity difference: the budget is prepared for separate entities, and the financial statements consolidate all entities controlled by the reporting entity. There might also be a basis difference: the budget is prepared on a cash basis and the financial statements on an accrual basis