



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



**AGENCY FOR THE DEVELOPMENT OF EDUCATIONAL MANAGEMENT
(ADEM)**

**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,
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

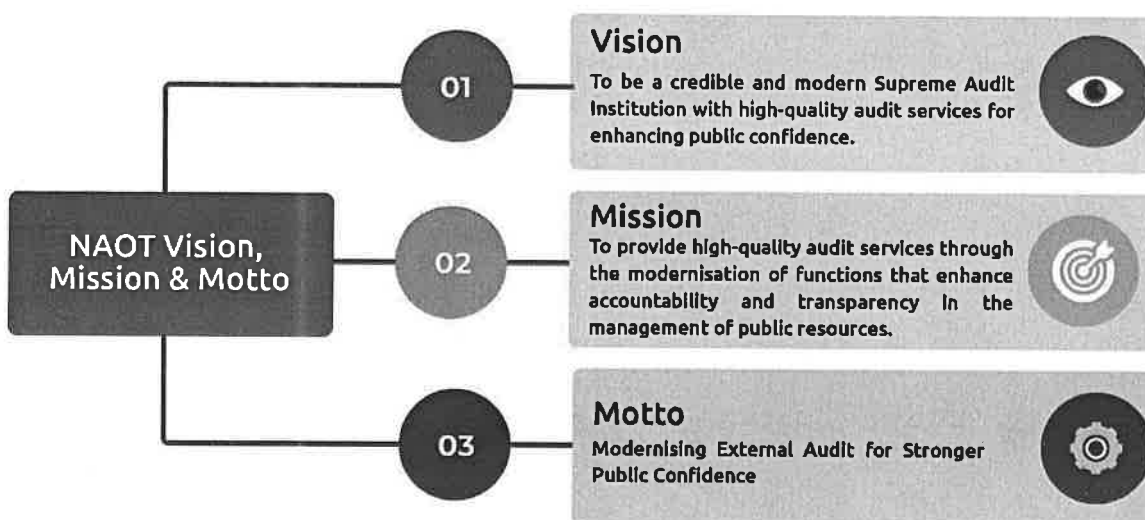
February 2025

AR/CG/ADEM/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

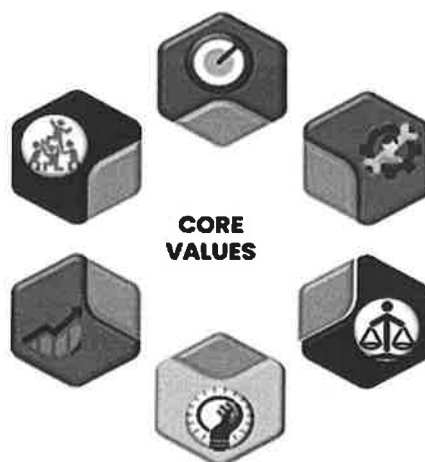
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

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 Agency for the Development of Educational Management (ADEM) and may form part of the annual general report, which once tabled to National Assembly, becomes a public document; hence, its distribution may not be limited.



TABLE OF CONTENTS

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



Abbreviations

ADEM	Agency for the Development of Education Management
CAG	Controller and Auditor General
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
MAB	Ministerial Advisory Board
MoEST	Ministry of Education Science and Technology
PAC	Public Accounts Committee

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Chairman of the Ministerial Advisory Board,
Agency for the Development of Educational Management (ADEM),
P.O Box 71,
BAGAMOYO.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of the Agency for the Development of Educational Management (ADEM), which comprise the statement of financial position as at 30 June 2024, the statement of financial performance, the 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 Agency for the Development of Educational Management (ADEM) 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 the Agency for the Development of Educational Management (ADEM) 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 of the Ministerial Advisory Board, Statement of the Chief Executive, Statement of Management Responsibility, Statement of Declaration of Planning, Finance and Accounts



Manager and commentary on the financial statements 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 laws

Subject matter: Compliance audit on procurement of works, goods, and services

I performed a compliance audit on the procurement of works, goods, and services in the Agency for the Development of Educational Management (ADEM) for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, except for the matters described below, procurement of goods, works and services of Agency for the Development of Educational Management (ADEM) is generally in compliance with the requirements of the Public Procurement laws.

Non-compliance with Tender Board appointment duration

Paragraph 3 (1) of the 2nd Schedule of the Public Procurement Act, [CAP.410 R.E.2022] requires that the Chairman and members of the board be appointed for three years, with eligibility for reappointment for an additional three years.

My review of the Tender Board file noted that the current board consists of a chairman and six members. However, the Chairman and three members have been serving on the Board since 2016/17 and continue to hold their positions, which amounts to eight years—exceeding the prescribed term limit of six years.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the Agency for the Development of Educational Management (ADEM) for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

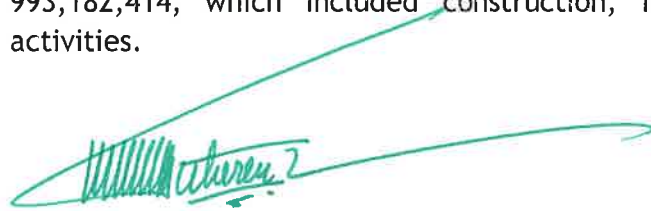
Conclusion

Based on the audit work performed, I state that, except for the matters described below, Budget formulation and execution of the Agency for the Development of Educational Management (ADEM) is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

Failure to implement planned development projects worth TZS 993,182,414

Section 7(4)(c) of the Budget Act, [CAP.439 R.E. 2020] mandates Government and Public entities to ensure that development projects are implemented in order of priority.

My review of the 2023/24 budget implementation report noted that ADEM had a total budget of TZS 6,989,545,486, including TZS 4,996,363,072 for recurrent expenditure, TZS 1,963,182,414 for development expenditure, and TZS 30,000,000 for the consolidated fund. However, ADEM failed to fully implement three development projects worth TZS 993,182,414, which included construction, furniture installation, and rehabilitation activities.



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



3.0 STATEMENT OF MANAGEMENT'S RESPONSIBILITIES ON THE FINANCIAL STATEMENTS

The Agency is required under the Executive Agencies Act, Cap.245 of 1997 and the Public Finance Act, Cap. 348 to prepare financial statements that give an accurate picture of the Agency's Annual financial status at the end of the financial year.

The Management is responsible for keeping proper records of Accounting and Procurement which disclose reasonable accuracy of the financial statements in compliance with the Public Finance Act Cap. 348 [Revised 2020] and the Public Procurement Act no. 7 of 2011 (R.E 2022) and its regulation of 2013 (as amendment in 2016).

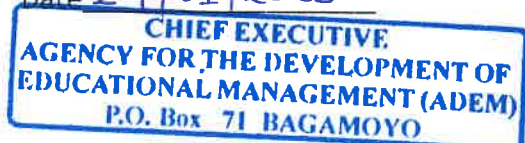
The Management confirms that suitable accounting policies have been used and applied consistently, reasonably, and prudent judgment and estimates have been made in the preparation of the financial statements. The Management also confirms that the International Public Sector Accounting Standards (IPSAS) accrual basis has been followed and that the financial statements have been prepared on the going concern basis.

The Management accepts the responsibility for the preparation and presentation of financial statements that are free from material misstatement whether due to fraud or error. Nothing has come to the attention of the Management to indicate that ADEM will not remain a going concern for at least twelve months from the date of these financial statements.



Dr. Maulid J. Maulid
Chief Executive

Date 29/01/2025



4.0 DECLARATION OF THE PLANNING, FINANCE AND ACCOUNTS MANAGER

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 the 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.

A Professional Accountant must assist the Board in discharging the responsibility of preparing financial statements of the entity showing the true and fair picture of the entity's position and performance in accordance with applicable International Public Sector Accounting Standards, Accrual basis and Statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board, as indicated in the statement of Management's Responsibility.

I, **Samwel Lucas Nkuva** a registered accountant, on behalf of ADEM, hereby acknowledge my responsibility of ensuring that, the financial statements for the year ended 30 June 2023 have been prepared in compliance with the International Public Sector Accounting Standard (IPSAS) Accrual basis and the requirements of Public Finance Act (No. 6) of 2001 (Revised in 2020).

I, thus confirm that the financial statements give a true and fair view position of ADEM as of 30 June 2024 and that they have been prepared based on appropriately maintained financial records.

Signature: 

Position: Finance and Accounts Manager


NBAA Membership No: ACPA 4783

Date: 29/01/2025

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
T2460000 - AGENCY FOR THE DEVELOPMENT OF EDUCATIONAL MANAGEMENT (ADEM)


STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2024 TZS	2023 TZS RESTATED
ASSETS			
Current Asset			
Cash and Cash Equivalents	62	42,791,948	73,311,305
Receivables	67	110,288,726	47,152,769
Prepayments	69	7,604,122	11,551,517
Inventories	70	4,463,315	50,189,811
Total Current Asset		165,148,112	182,205,401
Non-Current Asset			
Property, Plant and Equipment	77	16,651,363,196	16,779,783,910
Work In Progress	82	1,433,043,845	929,164,587
Total Non-Current Asset		18,084,407,041	17,708,948,497
TOTAL ASSETS		18,249,555,153	17,891,153,898
LIABILITIES			
Current Liabilities			
Payables and Accruals	89	431,752,246	416,120,551
Deferred Income	93	68,574,159	504,614,726
Total Current Liabilities		500,326,405	920,735,277
TOTAL LIABILITIES		500,326,405	920,735,277
Net Assets		17,749,228,748	16,970,418,621
NET ASSETS/EQUITY			
Capital Contributed by:			
Taxpayers/Share Capital		17,671,536,907	17,671,536,907
Accumulated Surpluses / Deficits		77,691,841	(701,118,286)
TOTAL NET ASSETS/EQUITY		17,749,228,748	16,970,418,621


Dr. Leonard D. Akwilapo
MAB - Chairman

Date 29/01/2025

Mfumo wa Uhasibu Serikalini (MUSE)


Dr. Maulid J. Maulid
Chief Executive

Date 29/01/2025

CHIEF EXECUTIVE
AGENCY FOR THE DEVELOPMENT OF
EDUCATIONAL MANAGEMENT (ADEM)
P.O. Box 71 BAGAMOYO

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
T2460000 - AGENCY FOR THE DEVELOPMENT OF EDUCATIONAL MANAGEMENT (ADEM)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2024

		2024 TZS	2023 TZS RESTATED
REVENUE			
Revenue from Exchange Transactions	17	3,765,700,782	2,738,039,750
Gains on Disposal Assets	26	20,294,418	-
Subvention from other Government entities	32	2,700,680,567	2,772,764,204
TOTAL REVENUE		6,486,675,767	5,510,803,954
EXPENSES AND TRANSFERS			
Expenses			
Wages; Salaries and Employee Benefits	34	2,802,842,809	2,785,993,332
Use of Goods and Service	35	2,386,655,431	2,372,046,357
Maintenance Expenses	36	222,290,245	339,407,149
Other Expenses	52	38,792,000	67,083,867
Expected Credit Loss	54	20,932,633	24,553,153
Depreciation of Property, Plant and Equipment	77	171,352,522	277,029,616
Total Expenses		5,642,865,640	5,866,113,474
Transfer			
Other Transfers	60	65,000,000	-
Total Transfer		65,000,000	-
TOTAL EXPENSES AND TRANSFERS		5,707,865,640	5,866,113,474

Surplus / Deficit 778,810,126 (355,309,520)

Dr. Leonard D. Akwilapo
MAB - Chairman

Dr. Maulid J. Maulid
Chief Executive

Date 29/01/2025

Date 29/01/2025

Mfumo wa Uhasibu Serikalini (MUSE)

CHIEF EXECUTIVE
AGENCY FOR THE DEVELOPMENT OF
EDUCATIONAL MANAGEMENT (ADEM)
P.O. Box 71 BAGAMOYO

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
T2460000 - AGENCY FOR THE DEVELOPMENT OF EDUCATIONAL MANAGEMENT (ADEM)

CASHFLOW STATEMENT AS AT 30 JUNE 2024

	2024 TZS	2023 TZS
CASH FLOW FROM OPERATING ACTIVITIES		
RECEIPTS		
Subvention from other Government entities	2,264,640,000	2,918,175,004
Revenue from Exchange Transactions	3,681,632,192	2,748,694,781
Total Receipts	5,946,272,192	5,666,869,785
PAYMENTS		
Wages, Salaries and Employee Benefits	2,849,496,317	2,777,059,992
Use of Goods and Service	2,274,696,338	2,432,618,564
Other Transfers	65,000,000	-
Other Expenses	38,792,000	67,083,868
Maintenance Expenses	222,290,245	339,407,149
Total Payments	5,450,274,900	5,616,169,573
NET CASH FLOW FROM OPERATING ACTIVITIES	495,997,291	50,700,213
CASH FLOW FROM INVESTING ACTIVITIES		
Investing Activities		
Proceed from sale of PPE	21,438,000	-
Payment for Work in Progress	(503,879,257)	(278,298,014)
Acquisition of Property, Plant and Equipment	(44,075,390)	(73,762,480)
Total Investing Activities	(526,516,647)	(352,060,494)
NET CASH FLOW FROM INVESTING ACTIVITIES	(526,516,647)	(352,060,494)
Net Increase	(30,519,356)	(301,360,281)
Cash and cash equivalent at beginning of period	73,311,305	374,671,586
Cash and cash equivalent at end of period	42,791,949	73,311,305

Dr. Leonard D. Akwilapo
MAB - Chairman

Date 29/01/2025

Mfumo wa Uhasibu Serikalini (MUSE)

Dr. Maulid J. Maulid
Chief Executive

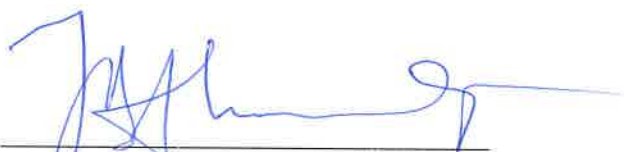
Date 29/01/2025

CHIEF EXECUTIVE
AGENCY FOR THE DEVELOPMENT OF
EDUCATIONAL MANAGEMENT (ADEM)
P.O. Box 71 BAGAMOYO

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
T2460000 - AGENCY FOR THE DEVELOPMENT OF EDUCATIONAL MANAGEMENT (ADEM)

STATEMENT OF CHANGES IN NET ASSET / EQUITY FOR THE PERIOD ENDED 30 JUNE 2024

	Taxpayer's Fund	Accumulated	Total
	TZS	Surplus/(Deficit) TZS	TZS
			RESTATED
Opening Balance as at 01 Jul 2023	17,671,536,907	(701,118,286)	16,970,418,621
Surplus/ Deficit for the Year	-	778,810,126	778,810,126
Closing Balance as at 30 Jun 2024	17,671,536,907	77,691,841	17,749,228,748
Opening Balance as at 01 Jul 2022	17,671,536,907	(345,808,765)	17,325,728,142
Surplus/ Deficit for the Year	-	(355,309,520)	(355,309,520)
Closing Balance as at 30 Jun 2023	17,671,536,907	(701,118,286)	16,970,418,621



Dr. Leonard D. Akwilapo
MAB - Chairman

Date 29/01/2025

Mfumo wa Uhasibu Serikalini (MUSE)



Dr. Maulid J. Maulid
Chief Executive

Date 29/01/2025

CHIEF EXECUTIVE
AGENCY FOR THE DEVELOPMENT OF
EDUCATIONAL MANAGEMENT (ADEM)
P.O. Box 71 BAGAMOYO

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
T2460000 - AGENCY FOR THE DEVELOPMENT OF EDUCATIONAL MANAGEMENT (ADEM)**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE PERIOD ENDED 30 JUNE 2024

	Budgeted Amount		Final Budget (B) TZS	Actual Amount on Comparison Basis (A) TZS	Different Final Budget & Actual (B-A) TZS
	Original Budget	Reallocations/ Adjustments			
RECEIPTS					
Subvention from Other Government Entities	3,326,270,000	-	3,326,270,000	2,264,640,000	1,061,630,000
Revenue from Exchange Transactions	3,095,300,000	567,975,486	3,663,275,486	3,681,632,192	(18,356,706)
Other Revenue	3,000,000	(3,000,000)	-	-	-
Total Receipts	6,424,570,000	564,975,486	6,989,545,486	5,946,272,192	1,043,273,294
PAYMENTS					
Wages, Salaries and Employee Benefits	2,109,376,329	771,312,042	2,880,688,371	2,849,496,317	31,192,054
Use of Goods and Service	2,347,707,198	-	2,347,707,198	2,274,696,338	73,010,860
Other Transfers	30,000,000	35,000,000	65,000,000	65,000,000	-
Other Expenses	52,650,000	-	52,650,000	38,792,000	13,858,000
Maintenance Expenses	287,800,000	-	287,800,000	222,290,245	65,509,755
Proceed from sale of PPE	-	-	-	(21,438,000)	21,438,000
Payment for Work in Progress	-	-	-	503,879,257	(503,879,257)
Acquisition of PPE	1,597,036,473	(241,336,556)	1,355,699,917	44,075,390	1,311,624,527
Total Payment	6,424,570,000	564,975,486	6,989,545,486	5,976,791,547	1,012,753,939
Net Receipts/Payments	-	-	-	(30,519,355)	30,519,355

Dr. Leonard D. Akwilapo

MAB - Chairman

Date 29/01/2025

Mfumo wa Uhasibu Serikalini (MUSE)

Dr. Maulid J. Maulid

Chief Executive

Date 29/01/2025

**CHIEF EXECUTIVE
AGENCY FOR THE DEVELOPMENT OF
EDUCATIONAL MANAGEMENT (ADEM)
P.O. Box 71 BAGAMOYO**